

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

In the Matter of
FAMILY HERITAGE ESTATE PORTFOLIO,
INC., WILLIAM L. ATKINSON, III, JAMES
ROBERT WALKER, LINDA MALONEY,
MELINDA GERRELL, PATRICIA DIAZ,
CYNTHIA MCCARROL, KATHLEEN MACK,
DOUGLAS M. PICKAR and JOHN WUSTNER,

PETITION FOR ORDER

Respondents.

File S-02260(EX)

The staff of the Enforcement Unit, Bureau of Registration & Enforcement, 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:

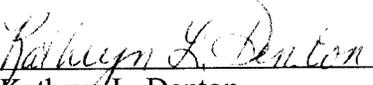
1. Family Heritage Estate Portfolio, Inc. ("FHEP") is a foreign corporation, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.
2. William L. Atkinson III ("Atkinson") is President, Chief Operating Officer and a Director of FHEP, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.
3. James Robert Walker ("Walker") is Executive Vice-President and a Director of FHEP, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.
4. Linda Maloney ("Maloney") is Vice-President, Secretary and a Director of FHEP, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.
5. Melinda Gerrell ("Gerrell") is Vice-President, Treasurer and a Director of FHEP, with a last known business address of business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205..
6. Patricia Diaz ("Diaz") is a Director of FHEP, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.
7. Cynthia McCarroll ("McCarroll") is a Director of FHEP, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.

8. Kathleen Mack (“Mack”) is a Director of FHEP, with a last known business address of 102 Merchant Lane, Pittsburgh, Pennsylvania 15205.
9. Douglas M. Pickar (“Pickar”) is a salesperson of FHEP, with a last known address of 33 Park Place #300, Appleton, WI 54913.
10. John Rudolph Wustner (“Wustner”) is a salesperson of FHEP, with a last known address of 1535 East Driftwood Drive, Tempe, Arizona 85283.
11. Upon information and belief, on September 15, 2000, Pickar sold to at least one person in Wisconsin a partnership agreement in FHEP.
12. Upon information and belief, on December 21, 2000, Wustner sold to at least one person in Wisconsin a partnership agreement in FHEP.
13. Upon information and belief, Respondent FHEP was formed to develop a franchise business that operated Automated Teller Machines (ATM) for a profit and provide marketing and technical consulting services.
14. The person in Wisconsin received both a FHEP Partnership Agreement and a FHEP Franchise Offering Circular with an attached Franchise Agreement as part of the offering documents.
15. The FHEP Franchise Agreement stated Respondents have developed and perfected a system for providing to the public in an efficient manner, high quality ATM sites and related services and products using a color scheme pattern and design, a marketing concept and uniform procedures for the operation of an ATM site and a procedure for evaluating the effectiveness of associate managers and employees with training programs.
16. The FHEP Partnership Agreements sold by Respondents stated that the day-to-day operations of the partnership shall be managed by FHEP.
17. The Offering Circular provided to the persons in Wisconsin stated the “franchisee” was obligated to purchase technical and consulting services from FHEP and that FHEP is the only required supplier for the franchisee.
18. The Offering Circular provided to the persons in Wisconsin contained various lease agreements that were available containing options for management services ranging from per transaction fee differences to monthly payments for services lasting up to thirty (30) years. The Offering Circular also states that franchisees that contract with FHEP to provide management services will pay \$.75 per transaction fee as a management fee.
19. 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 “partnerships” and/or “franchises” offered by the Respondents constitute investment contracts as defined by DFI-Sec. §1.02(6)(a), Wis. Admin. Code, and are therefore securities as defined by §551.02(13), Wis. Stats.

20. The FHEP partnership contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
21. Respondents have violated §551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
22. In connection with the offers of the securities described above, Respondent FHEP transacted business in Wisconsin as a "broker-dealer," as that term is defined by §551.02(3), Wis. Stats.
23. At no time has FHEP been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.
24. Respondent FHEP has violated §551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.
25. In connection with the offers of the securities described above, Pickar and Wustner transacted business in Wisconsin as "agents" for FHEP, as that term is defined by §551.02(2), Wis. Stats.
26. At no time have Pickar and Wustner been licensed as securities agents pursuant to Ch. 551, Wis. Stats.
27. Respondents Pickar and Wustner have violated § 551.31(1), Wis. Stats., by transacting business in Wisconsin as securities agents without licenses.
28. Respondent FHEP has violated § 551.31(2), Wis. Stats., by employing unlicensed agents to represent them in Wisconsin.

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 Chapter 551, Wis. Stats.

 3/12/04
 David A. Cohen
 Supervising Attorney
 Bureau of Registration and Enforcement

 3/11/04
 Kathryn L. Denton
 Examiner
 Bureau of Registration and Enforcement