

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

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In the Matter of

INTERTECH CORPORATION,  
F/K/A CUSTOM FABRICATING OF  
RACINE, INC., and  
DAVID A. PACZOCHA,

PETITION FOR ORDER

File No. S-03039 (EX)

Respondents.

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The staff of the Bureau of Registration & Enforcement, Division of Securities, Department of Financial Institutions, State of Wisconsin, has conducted an investigation in this matter pursuant to § 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Intertech Corporation, f/k/a Custom Fabricating of Racine, Inc., ("Custom Fabricating") was a Wisconsin corporation with last known business address of 1028 Douglas Avenue, Racine, Wisconsin 53402.
2. David A. Paczocha (DOB 8/8/1955) ("Paczocha") is an adult male with a last known home address of W4480 County Trunk ES, Elkhorn, Wisconsin 53121. During all relevant times he was the controlling officer of Custom Fabricating.
3. During the period of at least March 5, 2001 through May 10, 2001, Paczocha, on behalf of Custom Fabricating, offered and sold to at least four individuals in Wisconsin Class B preferred stock in Custom Fabricating.
4. Upon information and belief, Custom Fabricating engaged in the business of metal fabricating.
5. The preferred stock of Custom Fabricating offered by Respondents to the investors is a security as defined by § 551.02(13), Wis. Stats.
6. In connection with the offer and sale of the securities described above, Paczocha told at least one of the investors that the purchase of stock in Custom Fabricating was safe because the value of the company assets were sufficient to protect the investment from loss.
7. In connection with the offer and sale of securities described above, Paczocha told at least one investor, "you can't lose with this investment", and "you won't have to worry about this investment."
8. In connection with the offer and sale of securities described above, Paczocha told at least one of the investors that Custom Fabricating would use the investment money solely for the purpose of purchasing two companies (Technical Metal Specialists and DOT-Line) that would then be merged with Custom Fabricating. Paczocha did not purchase these companies and he did not refund the investors money to them.
9. In connection with the offer and sale of securities described above, Paczocha failed to disclose the substantial amount of debt owed by Custom Fabricating to M & I Bank-Racine and other creditors at the time of the offering and sale of securities, and for which the company assets were collateral, while at the same time leading at least one investor to believe his investment was safe because the company owned all this valuable equipment.

10. In connection with the offer and sale of securities described above, Paczocha failed to provide the investors with any financial records/documents of Custom Fabricating, despite repeated requests by investors for these records.
11. Paczocha has violated § 551.41(2), Wis. Stats., by making an untrue statement of a material fact, and by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and sale of a security to at least four persons in Wisconsin.
12. During the period of at least 1997 through 1999, Paczocha offered and sold to at least three persons in Wisconsin shares of stock in Innovatec Communications, LLC, Customerone Direct, Inc., Convergent Communications, and/or Diet-Pik-Up, Inc.
13. In connection with the offer and sales described in ¶12, Paczocha transacted business in Wisconsin as an "agent," as that term is defined by § 551.02(2), Wis. Stats.
14. At no time material to the offer and sale of the securities described in ¶12 has Paczocha been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
15. Paczocha has violated § 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

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.

Gregory Kipfer 7/14/04  
 Gregory Kipfer Date  
 Examiner  
 Bureau of Registration & Enforcement

Leslie M. Van Buskirk 7/14/04  
 Leslie Van Buskirk Date  
 Staff Attorney  
 Bureau of Registration & Enforcement