

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

In the Matter of
RONALD D. JOHNSON, JAMES P. SEIFRID,
DAVID J. NEARY, and DOUGLAS M. PICKAR,

PETITION FOR ORDER

Respondents.

File No. S-03150(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. Integrated Cash Systems, Inc. f/k/a World Cash Providers ("Integrated") is a foreign business entity with a last known business address of 2300 Palm Beach Lakes Blvd., Ste. 305, West Palm Beach, FL 33407.
2. Douglas G. Cuthbert (DOB 7/15/62) ("Cuthbert") is an individual who at all times material hereto has been an owner and controlling person of Integrated, with a last known business address at that of Integrated and a last known residence address of 477 Mozart Rd., West Palm Beach, FL 33411.
3. Steven C. Sacco (DOB 7/22/57) ("Sacco") is an individual who at all times material hereto has been President of Integrated, with a last known business address at that of Integrated and a last known residence address of 555 S. Kirk Rd., Apt. 102, Palm Springs, FL 33415.
4. Kevin J. Falvey (DOB 7/31/64) ("Falvey") is an individual who at all times material hereto has been Vice President of Integrated, with a last known business address at that of Integrated and a last known residence address of 4104 41st Way., West Palm Beach, FL 33408.
5. Ronald D. Johnson (DOB 10/31/47) ("Johnson") is an individual who at all times material hereto has been an agent and/or representative of Integrated, with a last known business address of Johnson & Associates, 1717 96th Ave., Hammond, WI 54015.
6. Johnson is currently and at all times material hereto was licensed as an insurance agent in Wisconsin (ID #11124).
7. James P. Seifrid ("Seifrid") is an individual who at all times material hereto has been an agent and/or representative of Integrated, with a last known business and residence address of 845 Palmer Ave., Aurora, IL 60506.
8. David J. Neary (DOB 4/11/51) ("Neary") is an individual who at all times material hereto has been an agent of Integrated, with a last known residence address of S 7860 Fox Pointe Tr., Eau Claire, WI 54701.
9. Douglas M. Pickar (CRD #4518984; DOB 7/29/49) ("Pickar") is an individual who at all times material hereto has been an agent of Integrated, with a last known business address at Pickar Agency, 33 Park Pl., Ste. 300, Appleton, WI 54914, and a last known residence address of 408 S. Division St., Waupaca, WI 54981.

10. Pickar has been licensed as a securities agent in Wisconsin from August 14, 2002, to the present.
11. During the year 2000, Seifrid and Johnson recruited Neary and Pickar, on behalf of Integrated, Cuthbert, Sacco, and Falvey, to offer and sell to persons in Wisconsin an investment in ATM machines to be leased back to, and managed and serviced by Integrated.
12. During the year 2000 and 2001, Neary, on behalf of Integrated, Cuthbert, Sacco, and Falvey, offered and sold to ten persons in Wisconsin an investment in ATM machines to be leased back to, and managed and serviced by Integrated.
13. During the year 2001, Pickar, on behalf of Integrated, Cuthbert, Sacco, and Falvey, offered and sold to one person in Wisconsin an investment in ATM machines to be leased back to, and managed and serviced by Integrated.
14. By contract the investors will play a passive role in the investment with no duties and responsibilities.
15. 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 investments in ATM machines offered by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.
16. Neary and Pickar have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
17. In connection with the offers of the securities described above, Neary and Pickar transacted business in Wisconsin as "agents" for Integrated, Cuthbert, Sacco, and Falvey, as that term is defined by sec. 551.02(2), Wis. Stats.
18. At no time material hereto were Neary and Pickar licensed as securities agents pursuant to Ch. 551, Wis. Stats.
19. Neary and Pickar have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as securities agents without a license.
20. On December 8, 1994, the State of Missouri issued an Administrative Order against Cuthbert, based on allegations of securities laws violations.
21. On June 21, 1996, Cuthbert was criminally convicted of wire fraud and mail fraud and was sentenced to 3 years probation and ordered to make restitution of \$385,576.80 to investors (United States v. James G. Freeman, et al., No. S1-44 CR 186 (JCK) (E.D. Mo. 1996).
22. On April 9, 1999, the U.S. Securities and Exchange Commission barred Cuthbert from association with any broker, dealer, investment company, investment adviser or municipal securities dealer.
23. In connection with the recruitment of the agents referred to in Paragraph 11, Seifrid and Johnson omitted to disclose the criminal convictions and the issuance of the Administrative Orders referred to in Paragraphs 20 through 22 above.
24. Seifrid's and Johnson's recruitment of unlicensed agents to offer and sell unregistered securities to persons in Wisconsin on behalf of Integrated operated as a fraud and deceit upon both the agents and the purchasers of the Integrated investment contracts.

25. In light of the allegations contained in Paragraphs 23 and 24 above, the staff of the Division of Securities has reason to believe that any further offers or sales of securities in Wisconsin by Seifrid or Johnson would be fraudulent to offerees or purchasers.
26. In connection with the offers and sales of the securities described in Paragraphs 12 and 13, Neary and Pickar omitted to disclose the criminal convictions and the issuance of the Administrative Orders referred to in Paragraphs 20 through 22.
27. Neary and Pickar have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.
28. On June 8, 2001, the Division of Securities issued a Summary Order of Prohibition and Revocation of Exemptions against Partners Investment Network, Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf.
29. Cuthbert was the owner of Partners Investment Network, Inc.
30. On September 26, 2001, the Division of Securities issued Consent Orders of Prohibition and Revocation of Exemptions against World Cash Providers, Inc. and World Cash Providers LLC, now known as Integrated, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf.
31. Integrated is the successor to World Cash Providers, Inc.
32. On July 17, 2003, the Division of Securities issued Summary Orders of Prohibition and Revocation of Exemptions against Integrated, Cuthbert, Sacco, and Falvey, based on allegations of fraud in the offer and sale of unregistered securities and employing unlicensed agents 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 Ch. 551, Wis. Stats.


 Susan A. Kittel Moore 3/12/04
 Date
 Securities Examiner
 Registration & Enforcement Bureau


 David A. Cohen 3/12/04
 Date
 Supervising Attorney
 Registration & Enforcement Bureau