

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

In the Matter of
MICHELLE BRUETTE-HOLTE,

PETITION FOR ORDER
(SUMMARY)

Respondent.

File S-05124(EX)

The staff of the Enforcement Unit, Registration & Enforcement Section, 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. Michelle Bruette-Holte (“Bruette-Holte”) is an individual, with a last known home address of 1406 Hilltop Ridge, Houlton, Wisconsin 54082 and business address of P.O. Box 804, Osceola, Wisconsin 54020.

2. Upon information and belief, on or about January of 2002, Bruette-Holte entered into an oral agreement with a Wisconsin investor for the purpose of trading stocks through a proprietary firm on the internet.

3. The oral agreement indicated that Bruette-Holte would keep 20% of the profits she earned on the investors money and that she would do all the trading.

4. Upon information and belief, on or about July 18, 2003, the investor in Wisconsin gave Bruette-Holte a cashier’s check for \$4,000 for the purpose of trading on his behalf.

5. Upon information and belief, approximately six months later, Bruette-Holte told the Wisconsin investor she had earned \$2,000 on the \$4,000 investment. Bruette-Holte did not provide the investor with statements showing trade information or his account balance, even though he had requested them.

6. Upon information and belief, on or about February of 2005, the investor requested \$2,500 from Bruette-Holte from his earnings and received this amount.

7. Upon information and belief, on or about May of 2005, the investor again requested the remaining funds from his investment account and received a cashier’s check in the amount of \$1,800 dated May 25, 2005.

8. Upon information and belief, the investor asked where the additional \$1,700 was since the oral agreement was that Bruette-Holte would receive 20% of the profit on the account, which would be \$400 and not \$1,700.

9. Upon information and belief, Bruette-Holte then told the investor she was keeping the remaining funds for her class fee of \$2,000, and he still owed Bruette-Holte \$300.

10. Upon information and belief, from June 3, 1986 to December 15, 1989, Bruette-Holte was licensed with the National Association of Securities Dealers to sell securities, which involved taking and passing tests of knowledge of securities laws.

11. In connection with the transactions on behalf of the investor described above, Respondent has transacted business as "investment adviser" in Wisconsin as that term is defined in sec. 551.02(3), Wis. Stats.

12. At no time material hereto was Bruette-Holte licensed as an investment adviser in Wisconsin pursuant to Ch. 551, Wis. Stats.

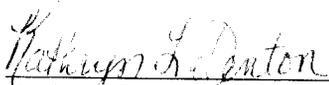
13. Bruette-Holte has violated sec. 551.31, Wis. Stats., by transacting business in Wisconsin as an investment adviser when not licensed to do so.

14. A search of the Wisconsin Circuit Court Access system shows on January 29, 2002, a judgment for money was filed in the amount of \$3,218.26 and on February 12, 2003, a judgment for money was filed in the amount of \$65,253.24. These judgments were related to funds lost by investors in prior transactions.

15. Upon information and belief, Bruette-Holte did not inform the investor of these judgments before he loaned her money to invest on his behalf.

16. Bruette-Holte has 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.

Therefore, the staff of the Enforcement Unit 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

10/19/05
Date


David A. Cohen
Supervising Attorney
Enforcement Unit

10/20/05
Date