

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

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In the Matter of  
FINANCIAL FREEDOM USA NETWORK,  
SUSAN E. DOWE, and  
PATRICIA A. CADWALLADER aka ANN DAVIS,

PETITION FOR ORDER

Respondents.

File No. S-05089(EX)

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

1. Upon information and belief, Financial Freedom USA Network (“Financial Freedom”) is a foreign business entity with a last known business address of 10000 N. 31<sup>st</sup> Avenue, Suite D-400, Phoenix, Arizona 85051;
2. Upon information and belief, Susan E. Dowe (“Dowe”) is an adult individual, with a date of birth of December 17, 1950, who at all times material hereto was an owner and a controlling person of Financial Freedom, with a last known business address at that of Financial Freedom, and a last known home address of 583 W. Magdalena Drive, Tempe, Arizona 85283;
3. Patricia A. Cadwallader aka Ann Davis (“Cadwallader”) is an adult individual, with a month and year of birth of May 1953, who at all times material hereto was an agent of Financial Freedom and Dowe, with a last known home address of 13251 W. Fargo Drive, Surprise, Arizona 85374, and a last known business address at that of Financial Freedom;
4. Upon information and belief, during the period of at least November 2003, Cadwallader, on behalf of Financial Freedom and Dowe, offered and sold to at least one person in Wisconsin an investment involving interests in an Internet website business;
5. Upon information and belief, investors can play a passive role in the establishment and operation of the website business, with no duties and responsibilities;
6. According to a statement of one of the investors to staff of the Division of Securities, investors rely on Financial Freedom for the activities relating to the establishment and operation of the website business;
7. Upon information and belief, each investor will not be involved in the day-to-day operation and/or management of the website, since they do not have the expertise or experience necessary to perform its duties;

8. 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 interests in the website business offered and sold 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.

9. The investment contracts of Financial Freedom have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;

10. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to a person in Wisconsin;

11. In connection with the offer and sale of the securities described above, Cadwallader transacted business in Wisconsin as an "agent" for Financial Freedom and Dowe as that term is defined by sec. 551.02(2), Wis. Stats.;

12. At no time has Cadwallader been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

13. Cadwallader has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;

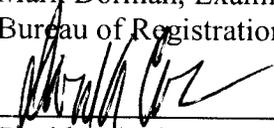
14. Financial Freedom and Dowe have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin; and

15. Staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, wrote to Financial Freedom to request information and documents concerning their securities-related transactions with persons in Wisconsin, but to date have received no response.

Therefore, the staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, petitions for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

 9-7-05  
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Mark Dorman, Examiner Date

Bureau of Registration & Enforcement

 9/8/05  
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David A. Cohen, Supervising Attorney Date

Bureau of Registration & Enforcement