

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

In the Matter of
STEVEN G. ROSS,

PETITION FOR ORDER

Respondent.

File No. S-04271(EX)

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

1. Steven G. Ross ("S. Ross") is an individual whose year of birth is 1956, licensed in Wisconsin as an insurance agent who operates a business named Steve Ross & Associates, who was previously licensed with the Division as a securities agent from 1991 until 1995, and who at all times material hereto has been an agent of Network Services Depot, Inc. (Network Services"), Bikini Vending Corp. ("Bikini Vending"), Charles V. Castro ("Castro") and Edward Bevilacqua ("Bevilacqua"), with a last known home address of 7769 Rustic Road, Boulder Junction, WI 54512-0821;
2. During the period of September and October 2003, S. Ross, on behalf of Network Services, Bikini Vending, Castro and Bevilacqua, offered and sold to at least three persons in Wisconsin interests in the Internet kiosk sales, service and management programs of Network Services and Bikini Vending;
3. According to statements made by S. Ross to staff of the Division, S. Ross got a commission of 15 percent of the sales price of the Internet kiosks he sold to the three persons in Wisconsin;
4. Upon information and belief, investors in the Internet kiosk sales, service and management programs of Network Services and Bikini Vending can play a passive role with no duties and responsibilities;
5. 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 Internet kiosk sales, service and management programs of Network Services and Bikini Vending, as offered and sold by S. Ross, 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.;
6. The investment contract securities of Network Services and Bikini Vending have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
7. S. Ross has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;
8. In connection with the offers and sales of the securities as described above, S. Ross transacted business in Wisconsin as an "agent" for Network Services, Bikini Vending, Castro and Bevilacqua, as that term is defined by sec. 551.02(2), Wis. Stats.;
9. At no time material hereto has S. Ross been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

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

11. On July 14, 2004, the Administrator of the Division issued a Consent Order of Prohibition and Revocation of Exemptions against S. Ross, based on allegations of the staff of the Division that S. Ross offered and sold unregistered securities as an unlicensed agent, which followed an investigation of S. Ross for his offers and sales of securities, in that unrelated matter, during the time period in which he offered and sold the Internet kiosk sales, service and management programs of Network Services and Bikini Vending to the three persons in Wisconsin, referred to in Paragraph 2 above;

12. During the investigation of S. Ross, referred to in Paragraph 11 above, S. Ross gave a sworn statement, dated April 12, 2004, to staff of the Division in which S. Ross stated, among other things, that, "I have not sold any other investment interests of any kind during the past three years.";

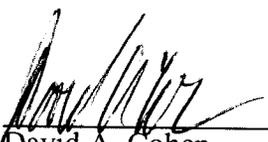
13. In connection with providing the statement to the staff of the Division, made during the investigation of S. Ross and in connection with the staff of the Division deciding on the possible disposition of the matter, S. Ross failed to disclose his offer and sale of the Internet kiosk sales, service and management programs of Network Services and Bikini Vending to the three persons in Wisconsin referred to in Paragraph 2 above; and

14. S. Ross violated sec. 551.54, Wis. Stats. by making or causing to be made, in any document filed with the Division any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect or, in connection with such statement, to omit 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 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.


Mark E. Dorman
Examiner

7-1-05
Date


David A. Cohen
Supervising Attorney

7/15/05
Date