

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

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In the Matter of  
SPAMAN WHOLESale, INC., dba  
MASTER SPAS OF WISCONSIN and  
CRAIG HUEFFNER  
Respondents.

FIRST AMENDED  
PETITION FOR ORDER

File No. S-03123(EX)

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The staff of the Bureau of Registration & Enforcement of the 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. Spaman Wholesale, Inc., dba Master Spas of Wisconsin ("Master Spas") is a domestic business entity with a last known business address of 1332 East Main Street, Waukesha, Wisconsin.
2. Craig Hueffner ("Hueffner") is an individual who at all times material hereto has been a control person of Master Spas, with a last known business address at that of Master Spas.
3. Upon information and belief, sometime during 2001, Master Spas and Hueffner entered into an agreement (the "Agreement") with Consumer Promotions, Inc. to participate in Consumer Promotions, Inc.'s Cashable Voucher Program (the "Program").
4. According to the Agreement, if Master Spa followed certain rules including giving a voucher to each and every purchaser of a spa and giving the voucher to the customer without any extra charge; and if the voucher was returned by the purchaser at the appropriate time in the future and with the appropriate paper work, the purchaser would receive a check for their entire purchase price of the spa.
5. Failure by Master Spas to follow the rules in the Agreement could result in Consumer Promotions not paying any of the vouchers issued to Master Spas' customers.
6. Master Spas, Hueffner, and/or their agents did not provide vouchers to all their customers who purchased spas.
7. In some cases Master Spas, Hueffner and/or their agents told customers that they could save hundreds or thousands of dollars if they did not accept the voucher; in other cases Master Spas, Hueffner and/or its agents told customers that if they received a Cashable Voucher the purchaser would not receive the discount to list price received by those who chose not to receive the Cashable Voucher with their hot tub.
8. Starting in mid 2004, three years after the first vouchers were used by Master Spas, customers who attempted to redeem their vouchers were unable to get their money and so informed Master Spas and Hueffner;
9. Since the purchasers paid additional consideration for the spa and the Cashable Vouchers as compared to just buying a spa, and expected the issuer to pay them a sum of money in the future, the Cashable Vouchers sold by Respondents constitute evidences of indebtedness and are therefore securities as defined by § 551.02(13), Wis. Stats.

10. The Cashable Vouchers have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

11. By offering and selling unregistered securities, Master Spas and Hueffner have violated § 551.21, Wis. Stats.

12. In connection with the offer and sale of the securities described above, Master Spas transacted business in Wisconsin as a "broker-dealer," as that term is defined by § 551.02(3), Wis. Stats.

13. At no time has Master Spas been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.

14. Respondent Master Spas has violated § 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.

15. In connection with at least one offer of the security described above, various persons, including a Tom Gillin transacted business in Wisconsin as a salesperson or "agent" for Master Spas and Hueffner, as that term is defined by § 551.02(2), Wis. Stats.

16. At no time has Gillin been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

17. Master Spas and Hueffner have violated § 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.

18. Master Spas' and Hueffner's actions, in not giving the vouchers to all customers and charging extra to those that did receive them, violated the explicit rules of the Program and allowed Consumer Promotions to refuse to pay the vouchers.

19. Master Spas and Hueffner's failure to inform purchasers that the vouchers could be deemed to be worthless constitutes engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person in violation of § 551.41(3), Wis. Stats.

20. Master Spas and Hueffner's failure to disclose to customers that previous customer's vouchers were not being honored constitutes the omission of a material fact necessary make the statements made, in the light of the circumstances under which they were made, not misleading in violation of §551.41(2), Wis. Stats.

21. On August 28, 2006, the Division of Securities issued Summary Orders of Prohibition against Respondents.

22. Based on information obtained after the issuance of that Order, the staff believes that this Revised Petition for Order and accompanying Orders more completely reflect Respondents' actions.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Orders pursuant to Chapter 551, Wis. Stats.

  
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David A. Cohen  
Supervising Attorney  
Bureau of Registration and Enforcement

3/23/07  
Date