

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

In the Matter of

PETITION FOR ORDER

SCIENTECH, INC.,
EDWARD T. JONES, and
JENNIFER A. JONES,

File No. S-213804 (EX)

Respondents.

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (the "Division"), has conducted an investigation in this matter pursuant to § 551.602, Wis. Stats., and as a result thereof alleges as follows:

1. Scientech, Inc. ("Scientech") was a Nevada corporation organized on January 29, 2008, and whose corporate status was revoked as of February 1, 2010, with a last known business address at 836 N. 8th Avenue, Sturgeon Bay, WI 54235.
2. Edward T. Jones ("Ed Jones") is an individual born in February 1949, who at all times material hereto was an owner, officer and/or controlling person of Scientech, with a last known home address of 836 N. 8th Avenue, Sturgeon Bay, Wisconsin 54235.
3. Jennifer A. Jones ("Jennifer Jones") is an individual born in February 1983, who at all times material hereto was an owner, officer and/or controlling person of Scientech, with a last known home address of 836 N. 8th Avenue, Sturgeon Bay, Wisconsin 54235.
4. According to information obtained by Division staff from Jennifer Jones and two Wisconsin persons who invested in Scientech, during January 2010, Ed Jones and Jennifer Jones offered and sold Scientech stock to the two Wisconsin investors.
5. The Scientech stock offered and sold to the two Wisconsin investors is a security as defined by § 551.02(13)(a), Wis. Stats., and has never been registered for offer and sale in Wisconsin under Ch. 551, Wis. Stats.
6. On June 23, 2004, the Administrator of the Division issued a Summary Order of Prohibition and Revocation against Ed Jones for violation of the anti-fraud provision of § 551.41(2), Wis. Stats., for omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading to the investors, in connection with the offer and sale of securities to Wisconsin investors.
7. The June 23, 2004 Order prohibited Ed Jones from selling securities to any person in Wisconsin unless the securities were registered, qualified as federal covered securities, or exempt under § 551.23(12), Wis. Stats., which applied only to existing shareholders of Tru-Pure Ozone Technologies, Inc. It also prohibited Ed Jones from violating the anti-fraud provisions of Chapter 551, Wis. Stats.

8. In connection with the offer and sale of the stock of Scientech described above, Ed Jones willfully violated § 551.508, Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin in violation of the Division's Summary Order of Prohibition and Revocation issued against Ed Jones on June 23, 2004.

9. According to information obtained by Division staff from Jennifer Jones and the two Wisconsin investors, in the offer and sale of the securities to the two Wisconsin investors, Ed Jones and Jennifer Jones omitted to disclose the existence of the Division's Order of Prohibition and Revocation against Ed Jones.

10. According to information obtained by Division staff from Jennifer Jones and the two Wisconsin investors, in the offer and sale of the securities to the two Wisconsin investors, Ed Jones and Jennifer Jones omitted to disclose the existence of unsatisfied judgments against Ed Jones and of the criminal cases against Ed Jones as listed on the Wisconsin Circuit Court Access Program's website.

11. According to information Jennifer Jones provided to Division staff, Jennifer Jones used at least \$2,500 of the investors' investment money to pay personal expenses of Ed Jones, which was not disclosed to the investors as a potential use of their investment money.

12. By engaging in the conduct described above, Ed Jones and Jennifer Jones violated § 551.501(2), Wis. Stats., by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

13. According to information obtained by Division staff from Jennifer Jones, in the offer and sale of the securities to the two Wisconsin investors, Ed Jones and Jennifer Jones provided to the two Wisconsin investors documents which were purportedly Scientech's financial statements, but which actually reflected combined financial information of Scientech and Ozotech, Inc. ("Ozotech"), an unrelated business with which merger talks had occurred prior to 2007, without disclosing to the two investors that Scientech and Ozotech were unrelated entities, and that any merger talks had been terminated as of December, 2006.

14. By engaging in the conduct described above, Ed Jones and Jennifer Jones violated § 551.501(2), Wis. Stats., by making untrue statements and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

15. Scientech has violated § 551.501(2), Wis. Stats., by the actions of Ed Jones and Jennifer Jones, its agents, in connection with the offer and sale of securities to persons in Wisconsin.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Dated this 9th day of September, 2011.



Mark E. Dorman
Examiner



Leslie M. Van Buskirk
Attorney Supervisor