

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

In the Matter of
CYNTHIA LYNN DREHMEL,
Respondent.

CEASE & DESIST ORDER
(SUMMARY)

File No. S-220327 (EX)

Based upon the attached Petition for Order, I have reason to believe that any further offer or sale of unregistered securities by or on behalf of the Respondent would be fraudulent to purchasers, and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to §551.604(2) Wis. Stats.,

IT IS ORDERED THAT:

- a. Cynthia Lynn Drehmel, her agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on her behalf, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551, Wis. Stats., or successor statute.
- b. All exemptions from registration set forth at Ch. 551, Wis. Stats., or successor statute, that might otherwise apply to any offer or sale of any security of or by Cynthia Lynn Drehmel, her agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on her behalf, are hereby revoked.
- c. Cynthia Lynn Drehmel, her agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on her behalf, shall cease and desist from violating § 551.501, Wis. Stats., or successor statute.

EXECUTED at Madison, Wisconsin, this 26th day of January, 2012.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE:

This Order is effective on the date issued. Any person subject to the Order may request a hearing in the form of a written petition for hearing as provided in § DFI-Sec. 8.01, Wis. Adm. Code. If no hearing is requested, this Order will become final by operation of law 30 days after service.

You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of § 551.508, Wis. Stats.

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

In the Matter of

PETITION FOR ORDER

CYNTHIA LYNN DREHMEL,

File No. S-220327(EX)

Respondent,

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

1. Cynthia Lynn “Cindy” Drehmel (“Drehmel”) is an individual born in March 1963, with a last known home address of 2901 W. Forest Hill Avenue, Franklin, Wisconsin 53132-8444, and last known business address of 7245 S. 76th Street, Suite 272, Franklin, Wisconsin 53132-9041.
2. In 2011, Drehmel offered a “specialized investment program” to at least one person in Wisconsin, stating that the program gives individuals the opportunity to “securely invest funds in a G1 trade program account, for one to three years*, of which our group matches funds against the assets/funds,” and in which “returns on investment will be every 30-45 days, with a minimum guaranteed ROI of 50% or greater.” It continues “*Note: This specialized program matches our funding arm’s funds to your funds or assets (which are reserved and non-depletionary) and therefore there is no risk to your funds or assets.”
3. According to the offering document Drehmel provided to the Wisconsin investor, Drehmel is described as the “Program Coordinator and Patriot” of the “specialized investment program.” A redacted copy of the offering document is attached hereto and incorporated by reference herein as Exhibit 1.
4. According to Exhibit 1, Drehmel wrote that her “group consists of individuals seeking to maintain and preserve our nation’s sovereignty and the Judeo-Christian principles upon which it was built.” Exhibit 1 states further “How are [sic] program works: Once, assets or funds are proven. An agreement is signed and the client’s bank sends a testimonial telegraphic telex to the trade program bank (TT). My group’s funding arm, will match funds to any assets*, i.e.: funds or standby letter of credit. After the funds are matched, my group will then provide a high level G1 legal, permitted investment program that will give continued returns to the person or group reserving the asset or funds for a duration of one year up to three years.”
5. Upon information and belief, Exhibit 2 is a document Drehmel prepared for a presentation she made on June 15, 2011 to some economic development officials in Wisconsin. Exhibit 2 states “In summary, our company Freedom Air LLC is seeking to develop an aircraft manufacturing plant and air park in between the cities of Portage and Wisconsin Dells. Also as managing director of GPU, LLC, we seek to implement businesses which have divisions in energy, alternative energy, health and rehab centers, a Christian theme park, a services card, university, publishing company, music and film studios. Additionally, I am also Owner/Managing Director of CDI, Ltd., a business development group which will aid in the

development and funding of each of the proposed businesses while pairing with the city, county and state to create a minimum of 1000 jobs.” A true and correct copy of Exhibit 2 is attached hereto and incorporated by reference herein.

6. In an article published in the Milwaukee Business Journal on September 26, 2010 about Drehmel’s proposals to the City of Franklin for an aircraft factory and Christian-themed amusement park, Drehmel is quoted as saying that she has private investors lined up who would provide start-up funding for the project. A true and correct copy of the online version of this article is attached hereto and incorporated by reference herein as Exhibit 3.

7. Since the investors in the program will be involved in a common enterprise with the expectation of profit to be derived from the essential managerial efforts of others, investments in the “specialized investment program” of Drehmel are investment contract securities as defined by § 551.102(28)(d), Wis. Stats.

8. The investments in Drehmel’s “specialized investment program” have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

9. According to an investor-alert statement released by the U.S. Securities & Exchange Commission entitled “How Prime Bank Frauds Work,” prime bank frauds include excessive guaranteed returns, fictitious financial instruments, extreme secrecy, and exclusive opportunity. A true and correct copy of this alert is attached hereto and incorporated by reference herein as Exhibit 4.

10. The “specialized investment program” offered by Drehmel to the Wisconsin investor as described in Exhibit 1 contains many of the same characteristics of a prime bank fraud.

11. By engaging in the conduct as described above in connection with the offer of securities to the person in Wisconsin, Drehmel has violated § 551.501(3), Wis. Stats., by engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

12. Staff of the Division has made numerous attempts to contact Drehmel to schedule a meeting with Drehmel concerning her investment-related transactions, including an email on September 22, 2011 which gave her ten days to respond, but Drehmel has not demonstrated any willingness to cooperate in the investigation.

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

Dated this 11th day of January, 2012.



Mark E. Dorman
Examiner
Bureau of Enforcement



Leslie M. Van Buskirk
Attorney Supervisor
Bureau of Enforcement