

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

In the Matter of

PETITION FOR ORDER

DANIEL R. CAMINITI,

File No. S-216123 (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. Daniel R. Caminiti (“Caminiti”), born in February 1980, was at all material times an owner and managing member of SBLC and Development 43, with a last known home address of 130 West Lancaster Avenue, Milwaukee, Wisconsin 53217-5528, and last known business address at 250 E. Wisconsin Avenue, Suite 1800, Milwaukee, Wisconsin 53202.
2. SBLC Finance, LLC (“SBLC”) is a Wisconsin limited liability company organized on November 5, 2009 and dissolved on September 15, 2011, with a last known business address at 250 E. Wisconsin Avenue, Suite 1800, Milwaukee, Wisconsin 53202. Its registered agent and managing member was Daniel Caminiti.
3. Development 43, LLC (“Development 43”) is a Wisconsin limited liability company organized on November 13, 2008 and dissolved on September 15, 2011, with a last known business address at 250 E. Wisconsin Avenue, Suite 1800, Milwaukee, Wisconsin 53202. Its registered agent and managing member was Daniel Caminiti.
4. While in Wisconsin during 2010, Caminiti, acting as the managing member of SBLC, offered and sold interests in a “Venture Agreement” to a person in Arizona. The initial Venture Agreement dated May 20, 2010 stated that after the Arizona investor released funds totaling \$450,000 to SBLC, SBLC would deliver to the Arizona investor an account statement in SBLC’s name from Barclays Bank showing a balance of no less than \$100,000,000. See Exhibit 1.
5. A subsequent Venture Agreement dated June 22, 2010 between Caminiti on behalf of SBLC and Infinsys, Inc., a business run by the Arizona investor provided:

Payment is based upon complete execution of the following:

Provider shall execute and deliver Investor Profile Sheet ... Bank Confirmation of Funds through Bank Letter *or* Bank Tear Sheet, Client requested text on MT799 format on Bank Letterhead, verification via telephone call that the funds have been blocked for a period of not less than sixty (60) days for use as collateral against which trades can be executed; these funds are “blocked and reserved in

favor of the Trading Entity” and not removable within that specified time period for any reason whatsoever unless authorized and agreed to in writing by both Provider and Client personally;

6. According to statements and documents provided to Division staff, the Arizona investor sent \$65,000 on July 8, 2010 and \$100,000 on July 13, 2010 by bank wire to the Development 43 account in Milwaukee, Wisconsin, as directed by Caminiti, for purposes of accomplishing the Venture Agreement.

7. According to statements made to Division staff, the Arizona investor repeatedly requested Caminiti to verify that the \$100,000,000 was on deposit for the use of that person at the Barclays Bank in London, England, but Caminiti failed to provide the information, despite having received the \$165,000 of the person as requested by Caminiti for that information.

8. Upon information and belief, the Arizona investor hired an associate to verify the existence of the bank officer, Isaac Jones, at Barclays Bank in England, and when the associate was unable to verify the information, the Arizona investor ceased making additional payments to Caminiti.

9. According to the July, 2010 statement of JPMorgan Chase Bank, Account # 866963218, owned by Development 43, that account had a balance of less than \$1,500 before receiving \$165,000 from the Arizona investor on July 8 and July 13, and had a balance of less than \$1,500 by the end of July, 2010. The statement shows that during July, 2010, other deposits in that account totaled only \$7,000. During July, 2010, withdrawals to third parties for apparent business purposes totaled no more than \$92,000, with the balance of the funds being used for apparent personal purposes by Caminiti. The large withdrawals included a \$5,000 wire transfer apparently to an entity named Meridian Landbank, LLC; a \$50,000 wire transfer to KRC Oil in Texas; a \$7,000 wire transfer to James Maxim Fields Washington, DC; a \$25,000 wire transfer to XTR Trading Group; \$5000 wire transfer to J Pierce Investments, Barclays Payment; and a \$55,000 wire transfer to a US Bank account owned by 43 Development.

10. The Arizona investor has requested a return of the money she invested with Caminiti but to date has not received any money back.

11. According to information and documents received by Division staff, Caminiti on behalf of SBLC has entered into similar agreements with at least four other persons from Wisconsin. The information and documents provided by those investors show that Caminiti engaged in similar transactions with those investors as with the Arizona investor as described above. According to the Wisconsin investors, none of them have obtained access to the “blocked funds” that were promised by Caminiti, and Caminiti has refused to repay all or part of the money paid by the investors.

12. The Ventures run by Caminiti are investment contract securities as defined by § 551.102(28)(d), Wis. Stats., since they involve the investment of money into the ventures with the expectation of profit to be derived through the essential managerial efforts of another, and the involve the investor furnishing initial value to the venture, which is subject to the risks of the

venture, induced by the promise of a valuable benefit over and above the initial value as a result of the venture, and the investors have no right to exercise practical and actual control over the managerial decisions of the ventures.

13. The investments in the Venture Agreements offered by Caminiti have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

14. By engaging in the conduct as described above in connection with the offers and sales of securities to the Wisconsin investors, Caminiti 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.

15. Staff of the Division have requested Caminiti to provide information and documents concerning his investment-related transactions, with a due date to respond, but to date have received no response despite many months having passed from the due date.

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 8th day of August, 2012.



Mark Dorman
Senior Examiner
Bureau of Enforcement



Leslie M. Van Buskirk
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