

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

---

In the Matter of

STEEL CAPITAL, INC.,  
Respondent.

CEASE & DESIST ORDER  
(SUMMARY)

File No. S-219383(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. Steel Capital, Inc., its agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its 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 Steel Capital Inc., its successors, affiliates, controlling persons, and every entity and person directly or indirectly controlled or organized by or on its behalf, are hereby revoked.
- c. Steel Capital Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from violating § 551.501, Wis. Stats., or successor statute.

EXECUTED at Madison, Wisconsin, this 18<sup>th</sup> day of June, 2012.

(SEAL)

  
\_\_\_\_\_  
Patricia D. Struck  
Administrator  
Division of Securities

NOTICE:

Under § 551.604(2), 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

ZACHARIAH JONES,

Respondent.

CEASE & DESIST ORDER  
(SUMMARY)

File No. S-219383(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. Zachariah Jones, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his 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 by Zachariah Jones, his successors, affiliates, controlling persons, and every entity and person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. Zachariah Jones, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from violating § 551.501, Wis. Stats., or successor statute.

EXECUTED at Madison, Wisconsin, this 18<sup>th</sup> day of June, 2012.

(SEAL)

  
\_\_\_\_\_  
Patricia D. Struck  
Administrator  
Division of Securities

NOTICE:

Under § 551.604(2), 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

MICHAEL LEVINE,

Respondent.

CEASE & DESIST ORDER  
(SUMMARY)

File No. S-219383(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. Michael Levine, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his 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 Michael Levine, his successors, affiliates, controlling persons, and every entity and person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. Michael Levine, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from violating § 551.501, Wis. Stats., or successor statute.

EXECUTED at Madison, Wisconsin, this 18<sup>th</sup> day of June, 2012.

(SEAL)



---

Patricia D. Struck  
Administrator  
Division of Securities

NOTICE:

Under § 551.604(2), 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

STEEL CAPITAL, INC.,  
ZACHARIAH JONES, and  
MICHAEL LEVINE,

PETITION FOR ORDER

DFI File No. S-219383(EX)

Respondents.

---

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

1. Steel Capital, Inc. ("Steel Capital") is a business incorporated in the State of Florida with a last known business address of 300 South East 11<sup>th</sup> Avenue, Apartment #305, Pompano Beach, Florida 33060.
2. Zachariah Jones ("Jones") is an individual who at all times material hereto has been an owner, officer, or controlling person of Steel Capital, Inc., with a last business address at that of Steel Capital, Inc.
3. Michael Levine ("Levine") is an individual who at all times material hereto has been an agent of Steel Capital, Inc. with a last known business address at that of Steel Capital, Inc.
4. In April 2011, Levine, on behalf of Steel Capital, Inc. and Jones, made an offer of stock in a company purported by Levine to be A-Power Energy Generation System, Ltd. ("A-Power") to a person in Wisconsin. Levine informed the person in Wisconsin that A-Power traded under the ticker symbol APWR.
5. A-Power Energy Generation System, Ltd. is a foreign company headquartered in China and incorporated in the British Virgin Islands. At all times material to Steel Capital's offer and sale to the person in Wisconsin, A-Power stock was publicly traded on the Nasdaq Global Select Market under the ticker symbol APWR and with a CUSIP code of G04136100.
6. Levine represented that Steel Capital would effectuate a deal whereby A-Power stock sold to the person in Wisconsin would be included in a block of shares that Steel Capital would broker to a third-party institution, and that this would increase the value of the brokered shares and result in a profit to the person in Wisconsin.
7. Based on Levine's representations, the person in Wisconsin agreed to purchase A-Power stock from Steel Capital. Pursuant to instruction from Levine, the person in Wisconsin remitted funds to Steel Capital via wire transfer to purchase the A-Power stock.
8. The stock that Steel Capital purported to sell to the person in Wisconsin was common stock of a corporation, and is therefore a security as defined by Wis. Stat. § 551.102(28).

9. In connection with the offers and sales of the securities described above, Levine transacted business in Wisconsin as an "agent" for Steel Capital, Inc., as that term is defined by Wis. Stat. § 551.102(2).

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

11. Levine violated Wis. Stat. § 551.402 by transacting business in Wisconsin as a securities agent without being registered.

12. Steel Capital and Jones violated Wis. Stat. § 551.401(3) by employing an unregistered agent to represent them in Wisconsin.

13. Following his payment of funds to Steel Capital, the person in Wisconsin received documents from Steel Capital purporting to be a certificate for 2,000 shares of stock and a "Stock Purchase Agreement" between Steel Capital and the person in Wisconsin.

14. Both the stock certificate and Stock Purchase Agreement provided by Steel Capital to the person in Wisconsin were facially illegitimate:

- a. The stock certificate and Stock Purchase Agreement falsely purport that A-Power was organized in the State of Florida. There is no company named A-Power Energy Generation System, Ltd. registered with the Florida Department of State Division of Corporations.
- b. The stock certificate contains no signatures, including those of any officers or directors of the company as is required of Florida corporations under Fla. Stat. § 607.0625.
- c. The stock certificate contains a false CUSIP code for A-Power.
- d. The stock certificate identifies the name of the person in Wisconsin as the Registered Holder of the A-Power shares, while contradictorily also containing an endorsement indicating that Steel Capital was the holder transferring the shares to the person in Wisconsin.
- e. In the certification statement, the stock certificate incorrectly references Steel Capital as the company whose stock the certificate represents. The certification statement also incorrectly claims that Steel Capital, Inc., a corporation, is subject to duties and obligations set forth "in the Limited Liability Company Regulations/Operating Agreement."

15. After sending the illegitimate stock certificate and purchase agreement to the person in Wisconsin, Levine made numerous phone calls to that resident in an effort to obtain additional funds for purported shares of A-Power, but the person in Wisconsin declined Levine's attempts.

16. The Division contacted Steel Capital, Inc. and Jones to request information and documents about the offers and sales of securities to persons in Wisconsin, but received no response. The phone numbers provided by Steel Capital to the person in Wisconsin have been disconnected.

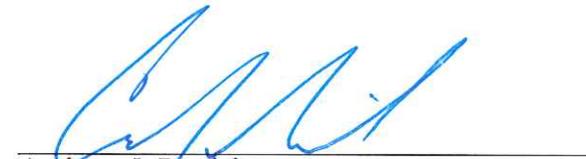
17. By making the false representations detailed above in connection with the offer and sale of a security to a person in Wisconsin, Levine and Steel Capital violated Wis. Stats. §§ 551.501(2) and (3) by making untrue statements of material facts; and engaging in acts, practices, and a course of business that operated as a fraud and deceit on another person.

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

Dated this 18<sup>th</sup> day of June, 2012.



Mark Dorman  
Senior Examiner  
Bureau of Enforcement



Andrew J. Parrish  
Staff Attorney  
Bureau of Enforcement