

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

In the Matter of

PETITION FOR ORDER

ERIK R. THEM MEN, and
STEVE H. BAI LEN,

File No. S-218569 (EX)

Respondents.

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

1. Goldwater Partners LLC ("Goldwater") is a limited liability company organized in Delaware on March 4, 2010 with a last known business address of 199 East Flagler Street, Suite 250, Miami, Florida 33131.
2. Jason A. Gilbert ("Gilbert") is an individual who at all times material hereto has been an owner, officer, managing member, principal or controlling person of Goldwater, with a last known business address at Goldwater.
3. Robert Fisher ("Fisher") is an individual who at all times material hereto has been an owner, officer, managing member, principal, or controlling person of Goldwater, with a last known business address at Goldwater.
4. Erik R. Themmen ("Themmen") is an individual born in June 1972, who at all times material hereto has been a sole proprietor operating a business by the fictitious name of Level2WO, but whose fictitious name registration with the State of Florida expired on December 31, 2009.
5. Themmen's last known business addresses for Level2WO include 17501 Biscayne Boulevard, Suite 450, Aventura, Florida 33160-4806; 511 Gardens Drive, #203 Pompano Beach, Florida, 33069 (official mailing address); and 3400 Avenue of the Arts B301, Costa Mesa, California 92626.
6. Steve H. Bailen ("Bailen") (CRD# 2406947) is an individual born in February 1959, who at all times material hereto has been an agent of Level2WO, LLC, with a business address at Level2wo, LLC.
7. During February 2011, Bailen, on behalf of the other respondents, offered a one-quarter unit of an LLC membership interest in Goldwater to at least one person in Wisconsin.
8. Pursuant to the offering materials received by the person in Wisconsin, Goldwater will engage in the business of producing electronic cigarettes.
9. The limited liability company membership interest in Goldwater is a security pursuant to § 551.28(e).
10. The Goldwater membership interests have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

11. Each Respondent has violated § 551.301, Wis. Stats., by offering unregistered securities to a person in Wisconsin.
12. In connection with the offers of the securities described above, Themmen transacted business in Wisconsin as a "broker-dealer" as that term is defined by § 551.102(4), Wis. Stats.
13. At no time has Themmen been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.
14. Themmen has violated § 551.401(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.
15. In connection with the offers of the securities described above, Bailen transacted business in Wisconsin as an "agent" for Themmen, as that term is defined by § 551.102(2), Wis. Stats.
16. At no time has Bailen been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
17. Bailen has violated § 551.402(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
18. Themmen has violated § 551.402(4), Wis. Stats., by employing an unlicensed agent to represent him 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 12th day of April, 2013.



Mark Dorman
Senior Examiner
Bureau of Enforcement



Leslie Van Buskirk
Attorney Supervisor
Bureau of Enforcement