

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

In the Matter of

PETITION FOR ORDER

JOEL W. CARLSON,

File No. S-224482 (EX)

Respondent.

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 Wis. Stat. § 551.602, and as a result thereof alleges as follows:

1. Joel W. Carlson ("Carlson") (CRD# 28447660) is an individual who was registered with the Division as a securities agent employed by Sagepoint Financial, Inc. ("Sagepoint"), from October 31, 2005 through February 8, 2012, conducting his business as Trust Financial Group ("TFG"). His last known business address is 1611 West County Road B, Suite 316, Roseville, Minnesota 55113.
2. Since at least 2006 through his termination by Sagepoint, Carlson maintained a broker-customer relationship with two Wisconsin investors living in Amery, Wisconsin, in which he would recommend investments and make trades for them, and handle their insurance matters as well.
3. As a securities agent for Sagepoint, Carlson appears to have recommended mostly annuities and mutual funds to the Wisconsin investors; however, in 2010 Carlson recommended that the Wisconsin investor invest in corporate bonds purportedly sponsored by his firm, Sagepoint.
4. Upon Carlson's recommendation, the Wisconsin investors made three investments in the Sagepoint corporate bonds recommended by Carlson, writing checks to Carlson's business TFG for \$80,000 on June 30, 2010, \$80,000 on August 12, 2012, and another \$20,000 on March 31, 2011.
5. Instead of making an investment in corporate bonds for the Wisconsin investors with their investment money, Carlson deposited the funds into the business account of TFG, and used the money for his own personal and business expenses, such as paying his federal income taxes, payroll, payments to charities, and payments to his mother's company Family Trust Inc., and transfers into his personal bank account.
6. Carlson concealed his misuse of the Wisconsin investors' money by sending fabricated statements to them, listing the investment as a Sagepoint short term corporate bond fund.
7. Carlson violated Wis. Stat. § 551.501(2) by making an untrue statement of a material fact in connection with the offer and sale of securities to persons in Wisconsin when he told the Wisconsin investors he would put their money in Sagepoint corporate bonds, but instead used the money for himself and his business.

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 Wis. Stats. Ch. 551.

Dated this 5th day of December, 2014.



Leslie M. Van Buskirk
Attorney Supervisor
Bureau of Enforcement