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

In the Matter of,	SUMMARY ORDER TO CEASE AND DESIST
WILLIAM R. LONG II,	
Respondent.	DFI Case No. S-238940 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondent

1. William R. Long II ("Long") is an adult male resident with a last known address of 125 Oscar King Road, Jamestown, Tennessee, 38556. At all times material, Long resided in Wisconsin.

Conduct

2. WL Enterprises, LLC ("WL Enterprises") was a limited liability corporation organized under the laws of the State of Wisconsin on December 16, 2011, and was administratively dissolved on May 6, 2015. WL Enterprises had a last known business address of 803 South Main Street, Cedar Grove, Wisconsin 53013. Long was the controlling member and registered agent of WL Enterprises at all times material.

3. On or about July 12, 1999, in Milwaukee County Circuit Court Case No. 1999CF2658, Long was convicted one count of felony possession of THC pursuant to Wis. Stat. § 961.41(3g)(e), one felony count of dealer possession of an untaxed controlled substance pursuant to Wis. Stat. § 139.95(2), and habitual criminality pursuant to Wis. Stat. § 939.62. As a result, Long was sentenced to one year and one day in state prison.

4. On or about June 21, 2011, Long and his wife filed a voluntary Chapter 7 bankruptcy petition in the Eastern District of Wisconsin. The bankruptcy was discharged on September 26, 2011.

5. Investor KR is an adult male resident of Wisconsin. Investor KR did not have an annual income of over $200,000 individually or $300,000 jointly, and did not have a net worth exceeding $1,000,000 prior to the investments described below.

6. Investor KR met Long in Wisconsin during the summer of 2011. Long represented to Investor KR that Long had several companies, including WL Enterprises which purchased old theater equipment at a discount and resold it at a higher price. Long represented to Investor KR that WL Enterprises was a profitable business and asked him to invest in it by purchasing shares.

7. Relying on Long's representations about the profitability of the business, Investor KR agreed to invest in WL Enterprises in exchange for company stock. As a result, between September and December 2011, Investor KR invested approximately $80,000 into WL Enterprises.

8. On or about December 20, 2011, Investor KR received a promissory note for the principal amount of $80,000 issued by WL Enterprises in the mail from Long. The promissory note was to mature on November 20, 2021 and pay an annual interest rate of 5.6%.

9. The promissory note Long mailed to Investor KR was contrary to Long's representations that Investor KR would be investing in the company stock of WL Enterprises.

10. At no time did Long inform Investor KR that Long had served time in prison for the criminal convictions set forth in paragraph 3 above; and.

11. Long did not inform Investor KR that Long had recently filed for Chapter 7 bankruptcy.

12. Shortly after Investor KR received the promissory note from Long and WL Enterprises, Long stopped responding to any of Investor KR's phone calls and written correspondence.

13. Investor KR has never received any interest payments from Long or WL Enterprises.

14. Contrary to Long's representations, Investor KR's money was used for Long's personal expenses rather than the business of WL Enterprises.

B. Conclusions of Law

Legal Authority and Jurisdiction

15. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 551 and the rules and orders promulgated thereunder.

16. Pursuant to Wis. Stat. § 551.102(28), a note is included in the definition of a "security."

17. Pursuant to Wis. Stat. § 551.102(28), stock is included in the definition of a "security."

18. Pursuant to Wis. Stat. § 551.102(28)(d)(1), the definition of a security includes an investment contract, which is defined to include an investment in a common enterprise with the expectation of profits to be derived through the essential managerial efforts of someone other than the investor.

19. Pursuant to Wis. Stat. § 551.102(17), an issuer is defined to include a person that issues or proposes to issue a security.

20. Pursuant to Wis. Stat. § 551.301, it is unlawful to offer or sell a security in Wisconsin unless the security is registered under Ch. 551, or is a federally covered security, or the security, transaction, or offer is exempted from registration under Ch. 551.

21. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

22. As described in ¶6, WL Enterprises and Long were acting as issuers, pursuant to Wis. Stat. § 551.102(17).

23. The company stock offered to Investor KR by WL Enterprises and Long was a security pursuant to Wis. Stat. § 551.102(28).

24. The promissory note issued by WL Enterprises and Long to Investor KR was a security pursuant to Wis. Stat. § 551.102(28).

25. As described in ¶6, Investor KR was involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, making his investment in WL Enterprises is an investment contract security pursuant to Wis. Stat. § 551.102(28)(d)(1).

Violations

26. Through the conduct described above in ¶¶ 2-14, Long violated Wis. Stat. § 551.301 when he offered and sold securities to Investor KR without those securities being federally covered securities, registered under Ch. 551, or exempt from registration under Ch. 551.

27. Through the conduct described above in ¶¶ 2-14, Long violated Wis. Stat. § 551.501(2) when he, in connection with the offer and sale of securities, directly or indirectly, made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Summary Orders issued pursuant to Wis. Stat. § 551.604(2)

(a) IT IS ORDERED that LONG, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of LONG, 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 or successor statute, pursuant to Wis. Stats. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED that all exemptions from registration set forth in Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by LONG, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of LONG, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED that LONG, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of LONG are prohibited from violating Wis. Stat. § 551.501 or successor statute.

(d) IT IS FURTHER ORDERED that LONG, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of LONG, are prohibited from offering and selling securities without first disclosing this Order to prospective investors.

B. Service of Order

(e) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.

(f) PLEASE TAKE NOTICE that the date of service of this order if it is sent by certified mail is the date it is placed in the mail, which is also the issue and effective date below. If a respondent is personally served, the date of service is the date personal service is obtained.

C. Notifications

(g) PLEASE TAKE NOTICE that you have the right to request a hearing, pursuant to Wis. Stat. § 551.604(2). Every request for a hearing shall be in the form of a written petition filed with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01 and Wis. Stat. § 227.42. A petition for a hearing to review the order shall:

(1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit such an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and

(2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.

(h) PLEASE TAKE FURTHER NOTICE that the petition for hearing must be filed with the Division. Pursuant to Wis. Stat. § 551.102(8), "filing" means "receipt." Therefore, a petition is not "filed" with the Division until it is actually received by the Division. If the Division does not receive your written petition before midnight on the 30th day after the date of service of this order, your right to a hearing will be waived and the Summary Order shall become final by operation of law.

(i) PLEASE TAKE FURTHER NOTICE that you may file your written petition:

(1) By mailing the written petition to:

Division of Securities
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower

Madison, Wisconsin 53705

(2) By delivering the written petition in person to:

Division of Securities
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower, 4th Floor
Madison, Wisconsin 53705

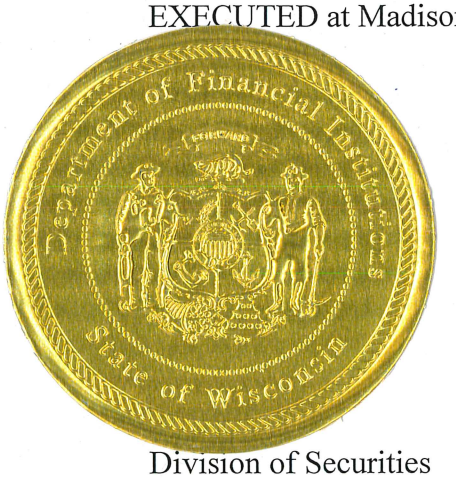
(3) By faxing the written petition to 608-264-7979

(j) PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the findings of fact, conclusions of law, and summary orders and proposed final orders, including the imposition of a civil penalty and requirement for payment of restitution and interest sought in a statement in the order, become final by operation of law, pursuant to Wis. Stat. § 551.604(2).

(k) PLEASE TAKE FURTHER NOTICE that, within 15 days after the Division's receipt of a written request for a hearing from you, the matter will be scheduled for a hearing or other public administrative proceedings, pursuant to Wis. Stats. §§ 551.604(2) and (3).

(l) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin this 20th day of August, 2019.



Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin Department of Financial Institutions
4822 Madison Yards Way, 4th Floor
Madison, WI 53701

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** | Kathy Blumenfeld, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent William R. Long II at his last known address of 125 Oscar King Road, Jamestown, Tennessee 38556:

   i. A copy of the signed Summary Order to Cease and, DFI Case No. S-238940 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 20th day of August, 2019.

Robin Jacobs

Notary Public, State of Wisconsin

My commission is permanent.

(Notary Seal) ROBIN S. JACOBS NOTARY PUBLIC STATE OF WISCONSIN