

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

In the Matter of
SCOTT KINDERMAN,
Respondent.

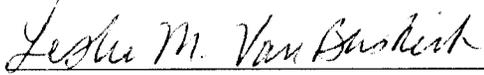
PETITION FOR ORDER
File No. S-03089 (LX)

The staff of the Bureau of Registration & Enforcement and the Bureau of Licensing and Compliance of the Division of Securities, Department of Financial Institutions, State of Wisconsin, has conducted an investigation into this matter pursuant to § 551.56, Wisconsin Statutes, and as a result thereof alleges as follows:

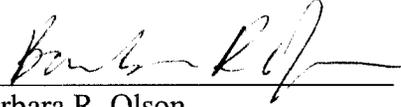
1. The Respondent Scott Kinderman ("Kinderman") is a licensed securities agent (CRD # 2103939) who, at all times material hereto, was acting as a registered representative with Thrivent Investment Management, Inc. (CRD # 18387). He conducts his business at 405 West Prairie View Road, Chippewa Falls, Wisconsin 54729.
2. In May, 2001, D.W. came to Kinderman for investment advice regarding a matured certificate of deposit which was worth approximately \$100,000. D.W. was an 84 year-old retired woman with macular degeneration and cataracts. The \$100,000 C.D. was over 60% of her liquid net worth as reported on the New Account form. D.W. told Kinderman that she did not want to put her principal at risk, but would like to invest in something that would generate some interest to supplement her fixed income.
3. Kinderman prepared a New Account form for D.W.'s signature. Despite her concerns about preserving principal, he checked her investment style as moderate and her investment objective as Aggressive Income. He invested the entire proceeds of the C.D. into the Lutheran Brotherhood High Yield Fund, which according to the prospectus invested about 80% of its funds in high-risk investments or "junk bonds."
4. D.W. was not given a copy of the prospectus at either of the meetings with Kinderman that she attended with her daughter, who lives in Chicago. When she received the prospectus in the mail, she was unable to read it herself because of her visual disabilities. She asked and was verbally assured by Kinderman that her principal was safe and only the dividends would fluctuate.
5. As a result of putting all of her investment money into a high yield mutual fund heavily invested in junk bonds, D.W. was exposed to more risk than is suitable for client of her age, means and experience.
6. Kinderman has taken unfair advantage by recommending to a customer the purchase or sale of any security without reasonable grounds to believe that the recommendation is suitable for the customer as proscribed by § 551.34(1)(g), Wis. Stats.

THEREFORE, the staff of the Bureau of Registration & Enforcement and the Bureau of Licensing and Compliance petitions the Administrator for the issuance of the attached Order of Censure pursuant to Chapter 551 of the Wisconsin Statutes.

Dated this 20th day of November, 2003.



Leslie M. Van Buskirk
Staff Attorney
Bureau of Registration & Enforcement



Barbara R. Olson
Licensing Examiner
Licensing & Compliance Bureau