

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

In the Matter of
DONNA M. VOGT

PETITION FOR ORDER

Respondent.

File No. S-03083(LX)

The staffs of the Bureaus of Licensing & Compliance and Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin have conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof allege as follows:

1. Donna M. Vogt ("Vogt") is a licensed securities agent (CRD #1391717) with a last known business address at N2147 DD Campbellsport, WI 53010;
2. In several cases, regardless of what a customer told Vogt about their goals, risk tolerance, and investment experience, the New Account Form submitted by Vogt had the same goals, risk tolerance, and investment experience: Primary Objective of Growth and Medium Risk Tolerance and a Secondary Objective of Income with Medium Risk Tolerance and the vast majority also had Growth with High Risk Tolerance with, at least, moderate experience in equities;
3. Vogt's actions, in filling out the New Account Forms in ways that did not match the customers' stated goals, risk tolerance, and investment experience provides a basis, pursuant to sec. 551.34(2), Wis. Stats., for the revocation of her license;
4. Based on this incorrect New Account Form, Vogt then made unsuitable securities recommendations to certain customers
5. Vogt's recommendations to those customers constituted recommending to a customer the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer on the basis of information furnished by the customer which is deemed pursuant to DFI-Sec 4.06(2)(i), Wis. Ad. Code to be a "dishonest or unethical business practice" or taking unfair advantage of a customer" and provides a basis, pursuant to sec. 551.34(1)(g), Wis. Stats., for the revocation of an agent's license;
6. Vogt lent money to a friend and neighbor who was a customer on at least three separate occasions: in November 2000, Vogt lent \$7500 to the customer in two separate transactions and in February 2001 lent an additional \$5000 to the customer;
7. Lending money to a customer is deemed, pursuant to DFI-Sec 4.06(2)(a), Wis. Adm. Code to be a "dishonest or unethical business practice" or "taking unfair advantage of

a customer” and provides the basis, pursuant to sec. 551.34(1)(g), Wis. Stats., for the revocation of Vogt’s license;

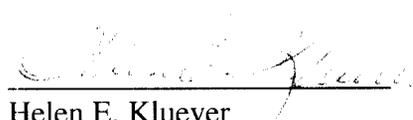
8. In connection with our investigation into Vogt’s sales activities, she wrote the Division a letter dated September 20, 2004, which stated in part, “I did not suggest that clients take out home equity loans and invest the money!”
9. According to information and documents provided to the staff, Vogt has recommended to over a dozen of her clients that they take out a home equity loan and invest the proceeds;
10. Vogt’s action in filing the September 20 letter with the Division constitutes the filing of a statement with the Division that was false or misleading in violation of sec. 551.54, Wis. Stats.
11. In a September 21, 2004 letter Helen Kluever wrote to Ms. Vogt, Ms. Kluever wrote, “ According to the information we received, the Adamczewskis, Dorgays, Halboths, Kreigers, Lamrechts, Dr. Walters and possibly others, all purchased additional securities on Margin. You made no reference to these purchases. Please explain.”
12. In response to the September 21, 2004 letter, Ms. Vogt on October 15, 2004 wrote, “In response to question number 2, the clients you mentioned withdrew money from their accounts to make personal expenditures away form [sic] their securities with me. As you can see from the attached statements, their withdrawals created the margin debts in question. That is the reason I did not refer to their securities purchases as margin transactions. Their securities transactions were paid for in cash.”
13. In reality, while some of these investors did make purchases that created margin balances, they also purchased securities at Ms. Vogt’s direction on margin.
14. Vogt’s action, in filing the October 15, 2004 letter with the Division which contains statements which were, at the time and in the light of the circumstances under which they were made, false or misleading in a material respect or omitted to state a fact necessary in order to make the statements made, in the light of the circumstances under which they were made not misleading, is a violation of sec. 551.54, Wis. Stats.
15. In response to customers leaving her and going to other agents and then refusing to tell her the name of their new agent or communicate further with her, on at least one occasion Vogt, or an agent at her direction, attempted to determine, by surreptitious means, the identity of the new securities agents to whom her former customer had gone.
16. Vogt’s actions, in attempting to obtain information about her clients when they did not wish to share it with her , as described above, constitute a basis, pursuant to sec. 551.34(2), Wis. Stats. for the revocation of her license;
17. Vogt has repeatedly mischaracterized or omitted facts in order to push her clients in the direction Vogt wanted them to go. For instance, Vogt provided many of her

customers with a "Retirement Planner Report" showing what a customer would have to invest in order to retire. The reports were given as an inducement to join her as a customer and contained assumptions that were without basis in fact, often projecting 1% inflation and 10-12% annual growth for the life of the investments;

18. Vogt's actions as described above are part of a course of business which operates or would operate as a fraud or deceit upon a customer in violation of sec. 551.41(3), Wis. Stats;

THEREFORE, the staffs of the Bureaus of Licensing & Compliance and Registration & Enforcement petition the Administrator for the issuance of the attached Order.

DATED this 3rd day of May, 2006



Helen E. Kluever
Examiner
Bureau of Licensing & Compliance



David A. Cohen
Supervising Attorney
Bureau of Registration & Enforcement