



**State of Wisconsin**  
*Department of Financial Institutions*

---

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

**FOR IMMEDIATE RELEASE:** March 11, 2019

Contact: [Melanie Conklin](#), communications director | desk 608.261-5404 | cell 608.347.3961

## **DFI investigation leads to investment fraud conviction in Chippewa Falls**

MADISON – Today [news broke](#) that shines a light on an example of securities fraud successfully investigated by the Wisconsin Department of Financial Institutions and prosecuted by the Chippewa County District Attorney’s Office in circuit court.

This is a strong reminder that before you or your loved ones invest your hard-earned money, make sure to take steps to protect yourself from financial fraud. Some telltale signs of scams include being offered promises of “free money,” and guaranteed, complex or gigantic returns.

If an offer raises questions, contact the Wisconsin Department of Financial Institutions (DFI), which investigates complaints of potential state securities and franchise investment law violations. DFI can also tell Wisconsin residents if a broker-dealer, securities agent or investment adviser is registered with the Division of Securities to offer and sell securities in Wisconsin. It can also provide any disciplinary history.

DFI also investigates problems involving registered broker-dealers and investment advisors, as well as securities-related questionable sales practices, telephone solicitations or allegations of fraud and misrepresentation. If you have questions or concerns about your investments, please call 608-266-1603 or 1-800-472-4325.

“We are here to help empower and protect Wisconsin citizens in their investment decisions,” said DFI Secretary (designee) Kathy Koltin Blumenfeld. “If you have questions, misgivings or concerns, check with us. Our staff is available to inform and help you before – or after – you invest.”

Below are details of the Chippewa County case:

On January 7, 2019, Jason W. Towe of Bowling Green, Kentucky was convicted of one count of offering or selling a security without registration contrary to Wis. Stat. § 551.301(3), to which he had pled no contest, in Chippewa County Circuit Court. He received deferred prosecution on an additional felony count of selling unregistered securities.

---

*Office of the Secretary*

Mail: PO Box 8861 Madison, WI 53708-8861  
Courier: 4822 Madison Yards Way, Madison, WI 53705  
Voice: (608) 264-7800 Fax: (608) 261-4334 Web: [www.wdfi.org](http://www.wdfi.org)

Judge Steven Cray ordered Towe to pay restitution in the amount of \$50,919.13, plus a restitution surcharge of \$5,091.91 to be paid within 60 months. The second felony count will be dismissed after Towe pays restitution in full. Four other charges for theft and misrepresentation were dismissed and read in.

The charges arose from Towe's actions in 2012 and 2013 when he solicited investments in oil and gas projects of Towe's business, 3E Tennessee, from an individual in Chippewa County. In connection with the offer and sale of investment contract securities to the Chippewa County victim, Towe omitted to inform the victim of material facts about Towe and his businesses, including that Pennsylvania and Colorado had issued administrative orders against Towe for securities-related violations.

Towe also omitted to inform the victim that Indiana was investigating him for violations in his previous involvement in an oil and gas venture, including one securities-related charge. The Indiana investigation eventually resulted in a felony criminal conviction against Towe in Indiana in which he was ordered to pay restitution in the amount of \$15,000.

The Chippewa County District Attorney's office prosecuted the case based upon the investigation of the Division of Securities of the Wisconsin Department of Financial Institutions which entered an Order to Cease and Desist (Consent) against Towe on September 16, 2016. The Division's Cease and Desist Order prohibits Towe from selling unregistered securities in Wisconsin and revokes all securities exemptions under Wis. Stat. Ch. 551.

**###**