

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

In the Matter of
WILLIAM G. SHEEDY

STATEMENT OF STAFF ALLEGATIONS
and PETITION FOR ORDER

Respondent.

File No. S-98140 (EX)

The staff of the Enforcement Unit of the Division of Securities, Department of Financial Institutions, State of Wisconsin, has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. William G. Sheedy (hereinafter referred to as "Sheedy") is an individual with his last known residence address at 6070 County Trunk S, Sobieski, Wisconsin 54171;
2. During the period of at least January 1994 to at least September 1997, Sheedy offered to at least eleven persons in Wisconsin promissory notes or other evidences of indebtedness pursuant to his representations concerning his engaging in a business to buy used Harley-Davidson motorcycles and resell them at large profits in Europe;
3. The promissory notes and other evidences of indebtedness referenced in Paragraph 2 above are securities as that term is defined by sec. 551.02(13), Wis. Stats.;
4. The securities referenced in paragraphs 2 and 3 above have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
5. In connection with the offers and sales of securities to persons in Wisconsin as described in Paragraphs 2 through 4 above, Sheedy omitted to disclose to at least nine of them both that he was in growing debt, and the size of that debt, and that he was in default as to such notes he had issued to others of such purchasers in connection with his purported used motorcycle business;
6. In omitting to disclose information as set forth in Paragraph 5 above, Sheedy violated sec. 551.41(2), Wis. Stats., by omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with his offers and sales of securities to persons in Wisconsin;
7. In connection with the offers and sales of securities described in Paragraphs 2 through 6 above, Sheedy represented to at least two of the purchasers that he had effected sales of used Harley-Davidson motorcycles in Europe at large profits, when in fact, as he later admitted to the Staff, he had made no such sales;
8. In making the false representations as described in Paragraph 7 above, Sheedy violated sec. 551.41(2), Wis. Stats., by making untrue statements of material fact in connection with his offers and sales of securities to persons in Wisconsin; and
9. In October 1999, the State of Wisconsin, by the District Attorney of Brown County, filed felony criminal charges against Sheedy in connection with his above-referenced offers and sales of securities to persons in Wisconsin and his violations of sec. 551.41(2), Wis. Stats., alleged herein-above;

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Gregory Kipfer 11/10/99
Gregory Kipfer Date
Examiner
Enforcement Unit

Wm. C. Lloyd 11/10/99
William C. Lloyd Date
Staff Attorney
Enforcement Unit

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

In the Matter of

WILLIAM G. SHEEDY,

Respondent.

ORDER OF PROHIBITION
AND REVOCATION

File No. S-98140 (EX)

Based upon the attached Statement of Staff Allegations and Petition for Order, I have reason to believe that the Respondent herein has offered and sold unregistered securities to persons in Wisconsin and that any further offer or sale of unregistered securities in Wisconsin by or on behalf of the Respondent would be fraudulent to purchasers, and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to secs. 551.24(2), 551.60(2)(a), and 551.63, Wis. Stats.,

IT IS ORDERED THAT:

- a. William G. Sheedy, his agents, servants, and employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited 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 are registered under Ch. 551, Wis. Stats., or successor statute.
- b. All exemptions from registration set forth at Ch. 551, Wis. Stats., or successor statute, that might otherwise apply to any offer or sale of any security of or by William G. Sheedy, his agents, servants, or employees, or any entity and person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. William G. Sheedy, his agents, servants, and employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from violating sec. 551.41, Wis. Stats., or successor statute.

EXECUTED at Madison, Wisconsin, this 18th day of November, 1999.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE:

Under sec. 551.61(2), Wis. Stats., within thirty (30) days after any Order has become effective without a hearing, any interested party may file a written request with the Administrator of the Division of Securities for a hearing in respect to any matters determined by the Order. A request for hearing shall be in the form of a petition for hearing and shall, pursuant to section DFI SEC 8.01, Wis. Adm. Code, plainly admit or deny each specific allegation, finding, or conclusion in the Order and incorporated papers (unless the petitioner lacks sufficient knowledge or information to permit an admission or denial, in which case the petition shall so state, and such statement shall have the effect of a denial), and shall state all affirmative defenses.

You are advised that any wilful violation of an Order issued by the Administrator of the Division of Securities of the State of Wisconsin Department of Financial Institutions under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.