

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

In the Matter of
AGC CAPITAL CORPORATION,
ROBERT S. ADAMS and
JOSEPH E. GARDNER,

PETITION FOR ORDER

File No. S-99260 (EX)

Respondents.

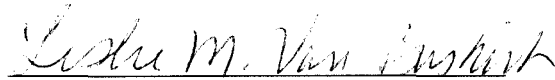
The staff of the Bureau of Registration & Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin, has conducted an investigation into this matter pursuant to §551.56, Wisconsin Statutes, and as a result thereof alleges as follows:

1. The respondent AGC Capital Corporation (“AGC”) is a California corporation which has never been licensed as a broker/dealer in Wisconsin. Its last known principal place of business is located at 20501 Ventura Boulevard, Suite 262, Woodland Hills, California 91364.
2. The respondent Robert S. Adams (“Adams”) is an individual who, upon information and belief, was the owner, chief operations officer and controlling person of AGC at all times material hereto. He has never been registered to sell securities with the State of Wisconsin. His last known business address was 20501 Ventura Boulevard, Suite 262, Woodland Hills, California 91364.
3. The respondent Joseph E. Gardner (“Gardner”) (CRD # 2608774) is an individual who, at all times material hereto, was employed as an investor relations representative for AGC. He has never been registered to sell securities with the State of Wisconsin. His last known address is 2020 North Calle Yucca, Thousand Oaks, California 91360.
4. AGC, through Adams, contracted to provide public relations and financial consulting services to Materials Technologies, Inc. (“Matech”). One component of the compensation to be paid to AGC consisted of Matech stock options.
5. AGC, through Adams and its agents and employees such as Gardner, sold shares of Matech to investors, including at least two investors residing in Wisconsin, neither of whom qualify as persons described in Wis. Stats. §551.23(8)(a)-(f).
6. One Wisconsin investor solicited by Gardner purchased 1562 shares of Matech for \$1000, and another purchased 5000 shares of Matech for \$2250.

7. While the investors received letters from Adams confirming their purchases, neither received the stock certificates promised.
8. AGC and Adams violated Wis. Stats. §551.21(1) when, on at least two occasions, they offered and sold a security in Wisconsin which was not registered and not exempt.
9. AGC and Adams violated Wis. Stats. §551.31(1) and (2), and Gardner violated Wis. Stat. §551.31(1) when, on at least two occasions, AGC, Adams and Gardner transacted business in Wisconsin without a license to do so.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Orders of Censure pursuant to Chapter 551 of the Wisconsin Statutes.

Dated this 6th day of August, 2002.



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

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

In the Matter of
AGC CAPITAL CORPORATION.,

ORDER OF PROHIBITION
(SUMMARY)

Respondent.

File No. S-99260(EX)

Based upon the attached Petition for Order of Prohibition I have reason to believe that an unregistered and non-exempt security has been offered or sold in Wisconsin by an unlicensed person in violation of Chapter 551, Wis. Stats., and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to §§ 551.60(2)(b), and 551.63, Wis. Stats.,

IT IS ORDERED THAT:

- a. AGC Capital Corporation, its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from employing an agent to represent them in Wisconsin unless the agent is licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.
- b. AGC Capital Corporation shall resolve its civil liability under sec. 551.59, Wis. Stats., resulting from the unlawful sales of securities described in the Petition for Order, prior to filing an application for a broker-dealer license in Wisconsin.

EXECUTED at Madison, Wisconsin, this 9th day of August 2002.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE:

Under Wis. Stats. §551.61(2), 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, under Wis. Adm. Code DFI-SEC § 8.01, 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 Department of Financial Institutions of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

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

In the Matter of
ROBERT S. ADAMS,

Respondent.

ORDER OF PROHIBITION
(SUMMARY)

File No. S-99260(EX)

Based upon the attached Petition for Order of Prohibition I have reason to believe that an unregistered and non-exempt security has been offered or sold in Wisconsin by an unlicensed person in violations of Chapter 551, Wis. Stats., and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

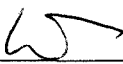
Therefore, pursuant to §§ 551.60(2)(b), and 551.63, Wis. Stats.,

IT IS ORDERED THAT:

- a. Robert S. Adams is prohibited from employing an agent to represent any company he controls or from transacting business himself in Wisconsin unless licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.
- b. Robert S. Adams shall resolve his civil liability under sec. 551.59, Wis. Stats., resulting from the unlawful sales of securities described in the Petition for Order prior to filing an application for a broker-dealer or agent license in Wisconsin.

EXECUTED at Madison, Wisconsin, this 9th day of August, 2002.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE :

Under Wis. Stats. §551.61(2), 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, under Wis. Adm. Code DFI-SEC § 8.01, 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 Department of Financial Institutions of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

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

In the Matter of

JOSEPH E. GARDNER,

Respondent.

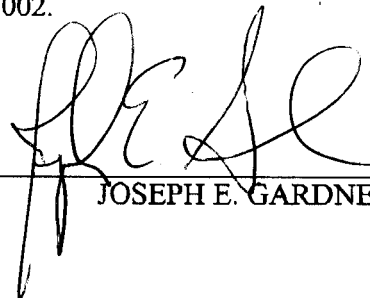
WAIVER AND CONSENT
TO ORDER

File No. S-99260 (EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order in the above-referenced matter, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order;

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a willful violation of an Order signed by the Administrator is a criminal offense.

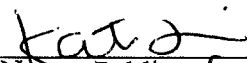
EXECUTED this 1 day of Aug, 2002.


JOSEPH E. GARDNER

State of }
County of }

Subscribed before me this

1 day of August, 2002.


Notary Public of California

My commission: #1199236



Attached is a California Acknowledgment

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Los Angeles

} ss.

On August 1, 2002, before me,

Date

Kate Liu

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Kate Liu

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Waiver & Consent to Order

Document Date: 8/1/02

Number of Pages: 1

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer

Signer's Name: Joseph Gardner

☒ Individual

☐ Corporate Officer — Title(s):

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Signer Is Representing: Himself

RIGHT THUMBPRINT
OF SIGNER

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

In the Matter of
JOSEPH E. GARDNER,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-99260(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order, I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to § 551.63, Wis. Stats.,

IT IS ORDERED THAT:

Joseph E. Gardner is prohibited from transacting business as a securities agent in Wisconsin unless licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin, this 9th day of August 2002.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE:

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