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👉 Details: Securities

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

1995-96

(session year)

Assembly

(Assembly, Senate or Joint)

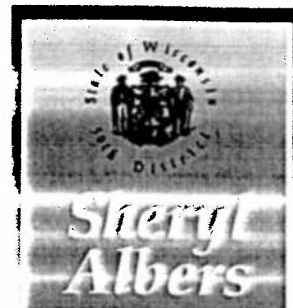
Committee on Insurance, Securities and Corporate Policy...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**



January 9, 1995

Daniel E. Jensen
8700 Lake Shore Drive
Kenosha, WI 53143

Dear Mr. Jensen:

I have read your complaint and spoken with acting Commissioner Patricia Struck of the Wisconsin Securities Commission.

I assume by submitting this to my office, you want me to be aware of your concerns. I understand your dilemma but am not clear as to what you hope to achieve or accomplish by this filing.

It is my understanding that you previously agreed to forego the hearing option. Are you seeking to reopen the case and if so, on what basis, as it is not stated on your letter or the attached document?

My office has requested that the State Bar forward a complaint form to you directly should you wish to file a complaint against Quarles and Brady. The firm is well regarded as you may know, and yet the Board of Attorneys Professional Responsibility is an additional forum to investigate fraud charges as noted in part G of the form. Double representation is not uncommon but may appear to be a conflict of interest in this case. I have also enclosed the state statutes on conflict of interest for your review.

Sincerely,

Sheryl K. Albers
State Representative
50th Assembly District

S:\WP51\JENSEN.LET

Office: P.O. Box 8952 • State Capitol • Madison, WI 53708-8952 • (608) 266-8531
Message Hotline: (800) 362-9472

Home: 36896 Seeley Creek Rd. • Loganville, WI 53943 • (608) 727-5084

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with soy base ink.



Hooker

Call commissioner or
ask if they
have the authority to
withdraw the disbursement order
against Jensen until such matter
is litigated
Can final
order be reopened -

8700 Lake Shore Drive
Kenesh, WI 53143
November 10, 1995

Representative Cheryl Albers
P.O. Box 8952
Madison, WI 53708

Dear Representative Albers:

Enclosed is a copy of a pleading delivered to the
Wisconsin Securities Commission Deputy Commissioner,
Patricia D. Struck, on November 7, 1995.

I am sending this to you for your information.

Sincerely,
Daniel E. Jensen
Daniel E. Jensen
Enclosure

By submitting this to
my office, you want m.
to be aware of your
concerns. I'm not
alarmed however or
what you hope to
achieve or
accomplish
by this
filing

What is at stake
in commission
office.

I have read your complaint + spoken with
Quarles + Brady. The firm is well regarded as
you may know + get their Board of Attorney Professional
charges noted in "G" is an additional fraud
is not uncommon
a conflict of interest
I've enclosed the
conflict of
interest
statutes
for your review.
you previously agreed to
forego the hearing
Are you
submitting to report
it on what
basis?

Securities
Commission
related...

file?

STATE OF WISCONSIN
COMMISSIONER OF SECURITIES

In the Matter of:

PETITION AND ORDER

DANIEL E. JENSEN

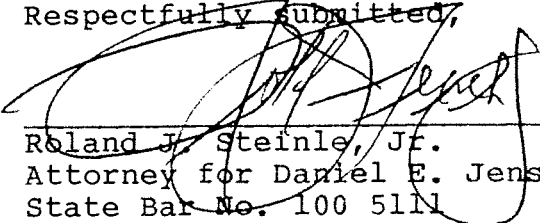
Case/File No. X-860064

DANIEL E. JENSEN by ROLAND J. STEINLE, JR., his Attorney, respectfully petitions and moves the Commission as follows:

For an order setting down a time for hearing this Petition in the sense that an evidentiary hearing be held wherein the matters referred to in the annexed Affidavit of DANIEL E. JENSEN are heard at length.

Dated this 3/5 day of October, 1995.

Respectfully submitted,



Roland J. Steinle, Jr.
Attorney for Daniel E. Jensen
State Bar No. 100 5111
1962 N. Prospect Ave.
Milwaukee, WI 53202
(414) 277-8309

On Appeal from a Judgment of Conviction of the Circuit Court of Kenosha County, the Honorable David M. Bastian, Circuit Judge Presiding.

4. During the course of the proceedings referred to hereinabove as it has appeared, there was a fraud committed upon the Commission in the following regards:

A. 77 pages of specific evidentiary material (compliance file) were not included in the file considered by the Commission.

B. Counsel then representing affiant represented to affiant that the 77 pages had been included and filed; apparently in lieu of the 77 pages, a magazine was substituted as an effort to stand as the compliance file.

C. Thomson McKinnon Securities perceived they had 3 liabilities because Thomson McKinnon Securities had recommended the purchase of Eastern Airlines and had not said it was speculative, a violation of Sec. 4.09(1)(c) and Sec. (2)(f)(4.06) of the Administrative Rules.

"...it is an unethical business practice for a dealer to recommend to a customer the purchase or sale of a security 'without reasonable grounds...'"

D. Thomson McKinnon Securities had not instructed their sales agents to update customer agreement form investment objectives, a lack of supervision liability.

E. Thomson McKinnon Securities' Kenosha office manager, Paul Quinn, knowing he had not instructed his sales agents to update customer agreement investment objectives, falsified Dan Jensen's copy of his customer agreement forms

investment objectives by adding "speculation" as an investment objective while Dan Jensen's forms were in Paul Quinn's possession.

F. Jeffrey Bartell of Quarles & Brady at the instructions of Thomson McKinnon Securities, Inc. withheld a work schedule and knowledge of Jensen's Secretary, Gloria Secor's existence and the documents she had prepared so as to defraud the Wisconsin Securities Commission into believing Mr. Jensen had engaged in unauthorized trades of Eastern Airlines and an unsuitable recommendation to clients to buy Eastern Airlines.

G. Quarles & Brady, at the instructions of Thomson McKinnon Securities have now withheld the Option Agreement forms signed by clients of Daniel Jensen at office appointments or returned by mail. Jensen provided to clients a covered option form which stated we are aware of the high degree of risk involved in options transactions. Option Agreement Form of Thomson McKinnon Securities, No. 5.

Thomson McKinnon Securities and Quarles & Brady had to commit new fraud to hide previous fraud against the Wisconsin Securities Commission. Quarles & Brady and Thomson McKinnon Securities caused the Wisconsin Securities Commission to word the questionnaires in such a way not to disclose evidence which they had previously withheld from the Wisconsin Securities Commission:

1. Compliance File;
2. Thomson McKinnon Securities' recommendations of Eastern Airlines

3. Option Agreement forms signed by Daniel Jensen's customers;
4. The knowledge of Gloria Secor, secretary to Dan Jensen, the person who had prepared the work schedule and the actual documents for the clients, all of which was withheld.

I. After the questionnaires had been returned by customers, Thomson McKinnon Securities and its compliance attorney, Marc Menchel, asked Daniel Jensen to write a response to the returned questionnaires and send it to Thomson McKinnon's Compliance Department with another copy to Jeffrey Bartell. Jensen did so and his response was again fraudulently withheld from the Wisconsin Securities Commissioner by Thomson McKinnon and Jeffrey Bartell.

J. Quarles & Brady, representing both Thomson McKinnon Securities and Daniel Jensen, on May 5, 1987, told the Wisconsin Securities Commission that Eastern Airlines was speculative and that Daniel Jensen had done unauthorized trades, after withholding aforementioned evidence to the contrary:

Jeffrey Bartel, the attorney, and Ronald Burtch, a legal assistant of Quarles & Brady, told the Wisconsin Securities Commission that:

- (1) Eastern Airlines was speculative.

That term as evidenced by a memo in the file was defined as: Speculation: buying or selling with expectation of profiting by a rise or fall in price. . . with the hope of unusually large profit.

Blanchard asked Burtch what Quarles & Brady had concluded in the way of riskiness and Burtsch in reply thereto represented that he had concluded Eastern Airlines was speculative and in addition thereto, there was no payment of dividend due to its financial position.

- (2) Dan Jensen had engaged in unauthorized trades. Bartell said that Jensen may not have talked to some of the investors and in addition had made an error in doing the trades because he, Jensen, thought that Eastern Airlines would improve in value. He fraudulently said this after withholding aforementioned evidence to the contrary.

As reported in a letter to Marc Menchel in May, 1987, "Jensen had not talked to Jeffrey Bartell since our first meeting in Madison, six or seven months ago."

On May 7, 1987, Jeffrey Bartell caused a letter to be sent to Jensen which included the statement, . . . It is our assessment, based solely on the enclosed. . . on both ground."

K. Misrepresentation, deceit and fraud was practiced on Dan Jensen and the Commission to negate a fair and accurate and truthful investigation of Dan Jensen and to place Jensen in a posture wherein he would indeed be charged and subsequently given the professional advice that he should enter into a stipulation, to be discussed hereinafter.

- (1) The relevant period involved was May 7, 1987,
to June 30, 1987.
- (2) It now appears that the objective and purpose of the treatment of the Jensen matter was devised so that Jensen would be made to bear guilt when in truth and in fact that fault and blame fell directly, squarely and solely on Thomson McKinnon Securities.
- (3) The actions and conduct that was used to effectuate and implement the aforementioned purpose and objective of substituting for the blame of Thomson McKinnon some alleged failures on the part of Jensen are outlined as follows:
 - (a) To make it appear that Jensen would be adequately and appropriately defended in an investigation by the Commission, Thomson McKinnon required Jensen to respond to certain questionnaires, which project they knew would require a substantial period of time to assemble and formalize. When the appropriate replies to the questions were detailed in a mailing to Thomson McKinnon late in May of 1987, Thomson McKinnon informed Jensen that it would not look into the material make-up of Jensen's responses to the interrogatories Thomson McKinnon had insisted be put to him. At this point and, apparently, because Thomson McKinnon for the first time was acknowledging that there was a substantial

conflict between the interests of it and that of Jensen, Thomson McKinnon informed Jensen that no longer would the same law firm represent it and Jensen and that it would hire a different law firm as demanded by Jensen to protect the interests of Jensen and he could present the evidentiary material included in his aforementioned replies to the questionnaires as well as other defensive material. This resulted in another delay of a week, and added to the complications of the time frame, as will appear.

Thomson McKinnon opted to retain another law firm to represent Jensen and to be legally responsible for the bills for legal services (the amount of which, as it evolved, as affiant is informed and verily believes, totaled approximately Thirty Thousand Dollars (\$30,000.00); and while it made it appear that it recognized a conflict of interest as between itself and Jensen, the reason becomes clear when the following item is understood: in Jensen's covering letter to Thomson McKinnon enclosing his replies to aforementioned interrogatories, Jensen reported that in truth and in fact he had not spoken with Jeffrey Bartell since

November, 1986; further, that if he, Jensen, was made to become penalized in any manner, he would seek legal recourse.

- (b) When Foley & Lardner entered the picture after the delay just referred to, that firm scheduled a conference two weeks into the future for June 22, 1987. (At this point there were only eight days before the lapse of the time period within which the Commission was required to complete its investigation and to file charges. At the June 22nd conference Foley & Lardner did present certain evidence on behalf of Jensen, selectively; this material included the signed option agreement forms, including the recitation at No. 5 of the form beginning with the words: "We are aware. . .". Further, the material which indeed was presented was the information supplied by Gloria Secor, Jensen's secretary, who had worked with Jensen and his customers in connection with the Eastern Airlines transactions. About that same time Foley & Lardner did inform the investigator for the Commissioner, Mark Dorman, that there were in existence records which clearly proved that Jensen had eight separate customer contacts with his Eastern Airlines' customers

that evidenced that Jensen in no manner had been involved in unauthorized trades for and on behalf of those customers.

(c) Mark Dorman, notwithstanding the fact that he had been reliably informed of the existence of the evidentiary material just alluded to, failed to do anything about the evidence. In fact, he was interested in attempting to find some evidence against Jensen so as to obviate a resultant that would require the Commission to pay the very, very substantial attorney's fees for the participation in the investigation of the defense of Jensen. Finally, and on June 30, 1987, Mark Dorman prepared a memo which found its way into the Commission file, the purpose of which was to discredit and challenge the veracity of Gloria Secor, Jensen's secretary, in the contacts with the Eastern Airlines' customers.

(d) Further, the same Mark Dorman substituted for the material which was presented in defense of Jensen extraneous and spurious material with the purpose of causing the Commission to arrive at a conclusion that Jensen had no reasonable basis for recommending to his customers the purchase

of Eastern Airlines and that such recommendations were unsuitable.

(e) Furthermore, one Mary Blanchard, then an employee of the Commission, compounded the problems being experienced by Jensen in the following regards: Jensen had complained to her that for some reason his attorneys had not made available to her certain material making up his "compliance file" in the Eastern Airlines matter and she chose to completely ignore the complaint in the sense of doing anything positive in investigating the complaint. However, the same Mary Blanchard did see fit to pass Jensen's complaint along to Jensen's law firm. That firm then contacted Jensen and advised him as follows: if he took it upon himself to travel to Madison and request to examine his file to determine its completeness in the sense that all of the defensive material he had reason to believe should have been filed on his behalf was in truth and in fact in the file, said law firm would withdraw from his case then and there, effectively leaving Jensen without counsel.

(f) Then Jensen was confronted with a proposed "Stipulation" and given the professional

advice that in the opinion of his attorneys he would in all likelihood lose his license, if he did not sign the "Stipulation". Under that coercion and then not being aware of the circumstances which appear hereinabove, he conformed to the advice of his law firm.

(g) However, as it now evolves, a simple comparison of, on the one hand, the language and terms of the "Stipulation" and on the other hand, the material set forth in the aforementioned seventy-seven pages of the compliance file, which material had not appeared in the Commission's file at the time of the Commission's determination based on the "Stipulation" and in addition thereto the evidentiary material set forth at length in this affidavit, prompts the necessary and inevitable conclusion that the stipulation was the resultant of fraud practiced upon the Commission itself, as well as upon affiant. If the Commission had known of the true facts, it would never have issued its order of discipline of affiant.

(4) Thomson McKinnon knew well that determinations by the Wisconsin Securities Commission would have severe and substantial ramifications as far as its standing with the Commission on the Federal level and that was a part of the

motivation on the part of Thomson McKinnon to escape blame and causing it to be borne by affiant.

(5) Affiant makes this affidavit for the purpose of establishing a predication for a Petition and Motion to reopen the final orders in the above captioned and designated case on the basis of fraud committed upon the Commission itself.

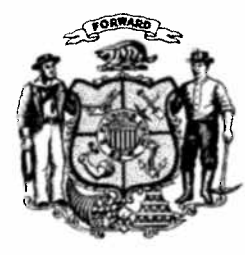
Daniel E. Jensen
Daniel E. Jensen

Subscribed and sworn to before me
this 17th day of October, 1995.

Mary E. Paul
Notary Public, State of WI
My commission: 5/3/98



WISCONSIN STATE LEGISLATURE



rec¹ 1-16-96

8700 Lake Shore Drive
Kenosha, WI 53143
January 13, 1996

State Representative Sheryl K. Albers
P.O. Box 8952, State Capitol
Madison, WI 53708-8952

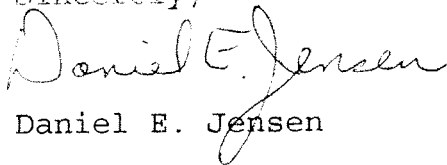
Dear Ms. Albers:

Please be assured that I am appreciative of the fact you took time to write to me on January 9, 1996. However, it appears that the purpose and objective in sending a copy of the pleading to you has been misunderstood and misinterpreted, other than your reference to the fact you assumed it was for your information.

The sole true purpose of my legal effort is to purge the Commission's record of profound injustice. In no manner is my purpose to militate against any individual or any law firm in the sense that I seek satisfaction in the form of vengeance or monetary gain. But I do believe that fraud has been committed on the Commission, and when fraud is evident the quasi judicial body as a matter of Wisconsin law has the mandate to clear its record of fraud.

The concomitant vindication of my own stained reputation would be, of course, a resultant, and since the record in the proceeding before the Commission was seized upon by the prosecution in its effort to convict me of a criminal offense, the vacating of the determination of the Commission for the reason it was procured by fraud on the Commission would be of great benefit to me.

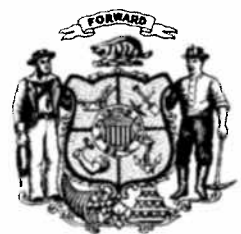
Sincerely,



Daniel E. Jensen



WISCONSIN STATE LEGISLATURE



APR 15 1996

April 10, 1996

Representative Cheryl Albers
P.O. Box 8952
Madison, WI 53708

Dear Ms. Albers:

In November, 1995 I sent you a copy of Petition and Order and Affidavit of Daniel E. Jensen given to the Wisconsin Securities Commission and a letter informing you I had presented it to the commission. I sent it to you because from past experience I anticipated a recalcitrant attitude from the Wisconsin Securities Commission.

I have received a response from the Wisconsin Securities Commission written to my attorney, Mr. Roland Steinle, (copy enclosed) dated February 5, 1996 which is unaccompanied by any form of determination or mandate relative to my case for the purpose of reopening my case for the purpose of the basis the Wisconsin Securities Commission.

The Wisconsin Securities Commission's lack of comprehension of the issues of matters raised in the petition and affidavit of Daniel E. Jensen.

The replies I have received from the Wisconsin Securities Commission are disingenuous replies that they appear deliberately so, rather than an example, your own reply to me of legal advice which you offer as a result of your conclusion that my complaint is not meritorious. I conclude my complaint is not meritorious. The Wisconsin Securities Commission but with my former attorney, Lardner & Lardner. You obviously are attempting to distract me from my legal path to distract me from my purpose.

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APR 15 1996

April 10, 1996

Representative Cheryl Albers
P.O. Box 8952
Madison, WI 53708

Dear Ms. Albers:

In November, 1995 I sent you a copy of Petition and Order and Affidavit of Daniel E. Jensen given to the Wisconsin Securities Commission and a letter informing you I had presented it to the commission. I sent it to you because from past experience I anticipated a recalcitrant attitude from the Wisconsin Securities Commission.

I have received a response from the Wisconsin Securities Commission written to my attorney, Mr. Roland Steinle, (copy enclosed) dated February 5, 1996 which is unacceptable and not in proper form of determination or mandate relative to our motion for a hearing to reopen my case for the purpose of vacating the commission order on the basis the Wisconsin Securities Commission was defrauded.

The Wisconsin Securities Commission demonstrates a lack of legal comprehension of the issues of fraud and how to respond to the matters raised in the petition and order and affidavit of Daniel E. Jensen.

The replies I have received from you and the Wisconsin Securities Commission are disingenuous replies that are so incompetent that they appear deliberately so, rather than simply ignorant. As an example, your own reply to me offers me unsolicited tactical legal advice which you offer as a re-analysis of my case, where you conclude my complaint is not with the Wisconsin Securities Commission but with my former attorneys, Quarles & Brady and Foley & Lardner. You obviously are attempting to drag a red herring across my legal path to distract me from my purpose.

Representative Cheryl Albers
April 10, 1996
Page 2

Clearly, we both understand that my former attorneys cannot vacate the order of the Wisconsin Securities Commission which I request be vacated; and that the Wisconsin Securities Commission can vacate the order. Therefore, it is the Wisconsin Securities Commission that I must ask for a hearing rather than start a legal battle with my former attorneys as you suggested.

The Wisconsin Securities Commission response to Mr. Steinle is further convoluted by not addressing the matters raised in the pleading or examining the new evidence ready to be submitted at a new hearing. Instead, they speak of what they imagine to be issues and ignore the pleading.

In their answer to Mr. Steinle, paragraph #1 they rely on Mr. Jensen signing a stipulation. They imagine the stipulation is to be relied upon. A stipulation which was obtained through fraud is illegal and cannot be relied upon. I am prepared to submit evidence the Wisconsin Securities Commission was defrauded in their efforts to obtain this settlement.

In paragraph #2 they rely upon former commissioner Walter H. White, Jr. as reviewing allegations of fraud charged by Mr. Jensen and finding them to be unsupported. I disagree with their interpretation of Mr. White's letter. It does not say there was an investigation. It only says Mr. White investigated. There was no hearing or meeting where evidence was submitted, interrogatories made, or where I or my attorney could participate. Mr. White produced no evidence an investigation was conducted and I was not informed an investigation was being done. Mr. White has no evidence he performed an investigation. What he did was ignore the complaint and pretend to investigate and further, no investigation or legal process was done that involved my testimony or new submission of evidence of the Wisconsin Securities Commission being defrauded.

In paragraph #3 they say that Mr. Jensen provided no evidence to cause reopening this case and vacate the order and that Mr. Jensen does not provide any new evidence to support new allegations he makes. They are again incorrect. The evidence will be submitted at the hearing requested and supported by the petition and order and affidavit of Daniel E. Jensen which they received on November 7, 1995.

It appears from the Wisconsin Securities Commission reply that they have not researched or written an answer like this before. It is amazing from a legal standpoint that their attorney would allow the Wisconsin Securities Commission to write Mr. Steinle such an incompetent reply. Faulty analysis leads always to unexpected consequences and very often to disaster. Nevertheless, I forgive

Representative Cheryl Albers
April 10, 1996
Page 3

them. Their refusal to grant relief as petitioned is a defensive attitude which ignores the petition and order and affidavit. I see I need to alleviate their fears, reduce their risks, and empower them to make correct choices without endangering or embarrassing themselves.

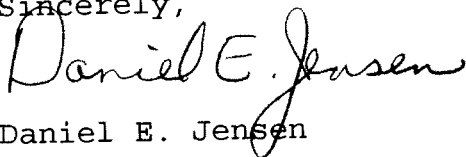
I can do this for them and I am willing to do this for them as a means to helping myself receive an order to vacate. We need to sit down in an informal meeting where I can, without my attorney present, explain how the parameters of this case can be contained, rules of engagement proposed, their risks and liabilities eliminated, and assurances given to them that this case does not explode in their face or that of Quarles & Brady or Foley & Lardner in an anticipated or unanticipated way. In short, I am inviting you to a risk management session to defuse the bomb at a time of your choice. Bring along whomever you wish and make it soon, please.

You need do nothing more than listen. You do not need to prepare something to say to me. I understand the Wisconsin Securities Commission and others' concerns and risks and am prepared to deal with them to their satisfaction. The solution is simple and contained in one sentence and I am prepared to tell it to you. We can settle this matter in an easy way or a tough way, and I am going to let you choose which way. Should you reject this risk management meeting proposal the alternative would be a highly publicized court case. I am sure once you see I am not interested in an adversarial relationship that you will feel empowered to give me justice at no risk to the Wisconsin Securities Commission or anyone else. I request you set a meeting date with me as a third party so you and I can come to some understanding as to how justice may be obtained and how a legally correct response be obtained from the Wisconsin Securities Commission in regard to the Petition and Order and Affidavit of Daniel E. Jensen.

Mr. Steinle corresponded with the Wisconsin Securities Commission last week. Should you want a copy of that correspondence, I am sure they would send it to you upon request.

I await your reply.

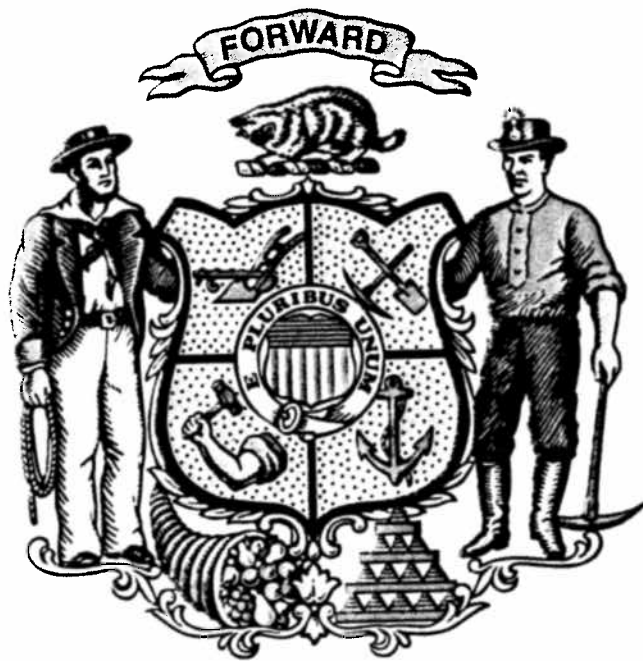
Sincerely,



Daniel E. Jensen

Enclosure

cc: Senator Joseph Andrea
Representative Robert Wirch





June 3, 1996

Daniel Jensen
8700 Lake Shore Drive
Kenosha, WI 53143

Mr. Jensen:

were less than complimentary in your most recent correspondence,

Despite the fact that you ~~refer to me in your last letter as incompetent and that I need only listen to you,~~ I have decided to respond to your letter of April 10.

apparently You ~~may~~ misunderstand my role as a legislator and Chair of the Assembly Insurance, Securities and Corporate Policy Committee. *apparently think that as* My role is not to, as you say schedule "risk management" meetings in a hopes to avoid a "highly publicized court case" and it is certainly not my role to choose if this matter "is settled in an easy way or a tough way" as you suggest.

I have some direct authority over the Securities Commission or that I have power to reverse action already taken. I do not have ed not.

As a legislator or chair of a committee, I do not have the power to intervene in a proceeding such as this and I most certainly do not have the power to reverse a decision made by the Securities Commission with legislation or by any other means. It seems to me your only ~~and best~~ avenue of recourse is the courts. *system.*

~~If you are truly not interested in an "adversarial relationship" as you stated in your last letter. I suggest that you change your tactics. I understand that you have been in touch with Representative Wirth's office. As he is your representative, I suggest that you attempt to work with him concerning this matter.~~

Sincerely,

Sheryl K. Albers
State Representative
50th Assembly District