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

In the Matter of
MICHAEL E. ANNIUK

Respondent.

PETITION FOR ORDER

File No.  S-97245 (EX)

The staff of the Enforcement Unit, Registration & Enforcement Section, 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. Michael E. Annik (DOB 6-26-45) ("Anniuk") is an individual whose last known address is Federal Prison Camp Oxford, P.O. Box 1085 Oxford WI 53952-1085.

2. Annik was licensed as a securities agent pursuant to sec. 551.31(1), Wis. Stats. (CRD# 718675), from February 13, 1991 until August 6, 1997.

3. On February 10, 1998, Annik’s Wisconsin insurance agent’s license was revoked by the Wisconsin Commissioner of Insurance, based on findings of numerous misappropriations of clients’ funds.

4. From approximately September 1992 through July 31, 1997, Annik persuaded elderly and retired clients to liquidate their investment and retirement portfolios and take out loans on their existing insurance policies giving the money to him to invest in annuity products offered by Mutual Life Insurance Company of New York (“MONY”) and Jackson National Life Insurance Company (“JNL”), assuring his clients that the new investments were safer and would earn higher interest.

5. Annik advised clients to deposit the liquidation and loan checks in their personal bank accounts and then make their checks for the new investments MONY and JLN payable to him.

6. Annik cashed the clients’ checks or deposited them in his personal bank account and used the funds for his personal use, then created false documents, including quarterly account statements, with the letterhead of MONY or JNL, and provided these documents to his clients.

7. The Respondent defrauded Wisconsin investors in excess of $1.6 million of their funds.

8. Annik’s actions referred to in paragraph (3) above provide a basis, in the public interest and for the protection of investors, pursuant to sec. 551.34(2) and 551.34(4), Wis. Stats., for the revocation of his securities agent license.

9. Annik’s actions as referred to in paragraphs (5) and (6) above have violated sec. 551.41(1), Wis. Stats., by employing a device, scheme in order to defraud the investors, which is evident.
by making misleading statements in connection with the offer and sale of securities to persons in Wisconsin.

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.

Fred Reed  Date  
Examiner  
Enforcement Unit

David A. Cohen  Date
Supervising Attorney
Enforcement Unit