

1 **BEFORE THE DIRECTOR OF THE DEPARTMENT OF**
2 **CONSUMER AND BUSINESS SERVICES**
3 **DIVISION OF FINANCE AND CORPORATE SECURITIES OF THE**
 STATE OF OREGON

4 In the Matter of:

5 **DATA TECHNOLOGY GROUP, LAS**
6 **VEGAS 220 SMR, LEON**
7 **SWICKKOW, DEAN LUCAS, and**
8 **RICHARD J ALLEN,**

9 Respondents.

No. A-01-0052

FINAL ORDER TO CEASE AND
 DESIST, DENYING EXEMPTIONS,
 AND ASSESSING CIVIL PENALTIES
 ENTERED BY DEFAULT AGAINST
 DATA TECHNOLOGY GROUP, LAS
 VEGAS 220 SMR, LEON
 SWICKKOW, DEAN LUCAS, and
 RICHARD J ALLEN

10
11 **WHEREAS**, on November 9, 2001 the Director of the Department of
12 Consumer and Business Services for the State of Oregon (hereafter the "Director"),
13 acting by and pursuant to the authority of Oregon Securities Law, Chapter 59 of the
14 Oregon Revised Statutes (hereinafter cited as ORS Chapter 59), and other
15 applicable authority issued Administrative Order No. A-01-0052 to **CEASE AND**
16 **DESIST, DENYING EXEMPTIONS, AND ASSESSING CIVIL PENALTIES** and
17 **NOTICE OF RIGHT TO CONTESTED CASE HEARING** against Respondents
18 **DATA TECHNOLOGY GROUP, LAS VEGAS 220 SMR, LEON SWICKKOW,**
19 **DEAN LUCAS, and RICHARD J ALLEN** (hereafter collectively referred to as
20 "Respondents").

21 **WHEREAS**, on November 9, 2001 Respondent **DATA TECHNOLOGY**
22 **GROUP** was duly served with a true copy of the Order and Notice by United States
23 Mail, postage prepaid, and addressed to Data Technology Group, 9690 W Sample
24 Road #201, Coral Springs, Florida 33069. This mailing was returned to sender,
25 affixed with a stamp stating "addressee unknown."

26 **WHEREAS**, on November 9, 2001 Respondent **DATA TECHNOLOGY**



1 **GROUP** was duly served with a true copy of the Order and Notice by certified
2 United States Mail (Item #7000 1670 0010 4303 1142), postage prepaid, and
3 addressed to Data Technology Group, 9690 W Sample Road #201, Coral Springs,
4 Florida 33069. This mailing was returned to sender, affixed with a stamp stating
5 “addressee unknown.”

6 **WHEREAS**, on November 9, 2001 Respondent **LAS VEGAS 220 SMR** was
7 duly served with a true copy of the Order and Notice by United States Mail, postage
8 prepaid, and addressed to Las Vegas 220 SMR, 7330 Edna Avenue, Las Vegas,
9 Nevada 89117. This mailing was returned to sender, affixed with a stamp stating
10 “attempted not known.”

11 **WHEREAS**, on November 9, 2001 Respondent **LAS VEGAS 220 SMR** was
12 duly served with a true copy of the Order and Notice by certified United States Mail
13 (Item #7000 1670 0010 4303 1166), postage prepaid, and addressed to Las Vegas
14 220 SMR, 7330 Edna Avenue, Las Vegas, Nevada 89117. This mailing was
15 returned to sender, affixed with a stamp stating “unclaimed.”

16 **WHEREAS**, on November 9, 2001 Respondent **LEON SWICKOW** was duly
17 served with a true copy of the Order and Notice by United States Mail, postage
18 prepaid, and addressed to Leon Swickow, 9690 W Sample Road #201, Coral
19 Springs, Florida 33069. This mailing was returned to sender, affixed with a stamp
20 stating “addressee unknown.”

21 **WHEREAS**, on November 9, 2001 Respondent **LEON SWICKOW** was duly
22 served with a true copy of the Order and Notice by certified United States Mail (Item
23 #7000 1670 0010 4303 1173), postage prepaid, and addressed to Leon Swickow,
24 9690 W Sample Road #201, Coral Springs, Florida 33069. This mailing was returned
25 to sender, affixed with a stamp stating “addressee unknown.”

26 **WHEREAS**, on November 9, 2001 Respondent **DEAN LUCAS** was duly

Division of Finance and Corporate Securities
Laws and Regulations Section
510 Winter Street, NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387



1 served with a true copy of the Order and Notice by United States Mail, postage
2 prepaid, and addressed to Dean Lucas, 9690 W Sample Road #201, Coral Springs,
3 Florida 33069. This mailing was returned to sender, affixed with a stamp stating
4 "addressee unknown."

5 **WHEREAS**, on November 9, 2001 Respondent **DEAN LUCAS** was duly
6 served with a true copy of the Order and Notice by certified United States Mail (Item
7 #7000 1670 0010 4303 1180), postage prepaid, and addressed to Dean Lucas,
8 9690 W Sample Road #201, Coral Springs, Florida 33069. This mailing was
9 returned to sender, affixed with a stamp stating "addressee unknown."

10 **WHEREAS**, on November 9, 2001 Respondent **RICHARD J ALLEN** was
11 duly served with a true copy of the Order and Notice by United States Mail, postage
12 prepaid, and addressed to Richard J Allen, 7330 Edna Avenue, Las Vegas, Nevada
13 89117. This mailing was returned to sender, affixed with a stamp stating "attempted
14 not known."

15 **WHEREAS**, on November 9, 2001 Respondent **RICHARD J ALLEN** was
16 duly served with a true copy of the Order and Notice by certified United States Mail
17 (Item #7000 1670 0010 4303 1159), postage prepaid, and addressed to Richard J
18 Allen, 7330 Edna Avenue, Las Vegas, Nevada 89117. This mailing was returned to
19 sender, affixed with a stamp stating "unclaimed."

20 **NOW THEREFORE**, after consideration of the Investigative Memorandum
21 and accompanying exhibits submitted in this matter by David T. Weiss, Securities
22 Enforcement Officer, the Director hereby issues the following Findings of Fact,
23 Conclusions of Law, and Final Order:

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FINDINGS OF FACT



1 The Director **FINDS** that:

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3 1. Respondent **DATA TECHNOLOGY GROUP** was, at all times
4 material herein, a for profit corporation organized under the laws of the State of
5 Florida. Data Technology Group's last known address is 9690 W. Sample Rd
6 #201, Coral Springs, Florida 33069.

7 2. Respondent **LAS VEGAS 220 SMR** was, at all times material
8 herein, a partnership organized under the laws of the State of Nevada. Las
9 Vegas 220 SMR's last known address is 7330 Edna Avenue, Las Vegas,
10 Nevada 89117.

11 3. Respondent **LEON SWICKOW** was, at all times material herein,
12 the President of Respondent **DATA TECHNOLOGY GROUP**. His last known
13 address is 9690 W. Sample Rd #201, Coral Springs, Florida 33069.

14 4. Respondent **DEAN LUCAS** was, at all times material herein, a
15 sales representative employed by Respondent **DATA TECHNOLOGY GROUP**.
16 His last known address is 9690 W. Sample Rd #201, Coral Springs, Florida
17 33069.

18 5. Respondent **RICHARD J ALLEN** was, at all times material herein,
19 the managing partner of Respondent **LAS VEGAS 220 SMR**. His last known
20 address is 7330 Edna Avenue, Las Vegas, Nevada 89117.

21 6. Gary Gerads was, at all times material herein, a resident of the
22 State of Oregon. Gerads was employed as a truck driver by Albertson's.

23 7. By mid 1995 Gerads had accumulated almost twenty four thousand
24 dollars (\$24,000) in an Individual Retirement Account (IRA). Gerads was not
25 satisfied with his account's returns, and was receptive to possible changes in
26 investment strategy.



1 8. While listening to a call in talk program on commercial AM radio,
2 Gerads heard a paid advertisement soliciting investments in the rapidly
3 developing telecommunications industry. Lured by the enticing possibilities
4 described by the commercial's narrator, Gerads called a toll free number as
5 directed.

6 9. Gerads was connected with Respondent **DEAN LUCAS**, a sales
7 representative for Respondent **DATA TECHNOLOGY GROUP**. (Data
8 Technology Group employed a number of sales representatives to sell
9 partnership interests.) Respondent **DEAN LUCAS** described the excellent
10 investment opportunities available in specialized mobile radio (SMR), a
11 telecommunications channel that he asserted would be extremely profitable.
12 Gary Gerads was informed that interests were available in a select number of
13 limited partnerships that invested in this new format.

14 10. When Gerads asked about the kinds of investment returns he could
15 expect to see, Respondent **DEAN LUCAS** told Gerads that he would "have a
16 substantial cash profit within 120 days" and that a single unit (costing \$12,500)
17 could be worth \$150,000 in twelve years. Gerads was impressed, and agreed to
18 review the sales literature Respondent **DEAN LUCAS** indicated he would send
19 via overnight delivery.

20 11. The packet of material that Gerads received included an audiotape
21 trumpeting the future of telecommunications (including praise of the industry from
22 no less a figure than then Vice President Al Gore) as well as a sales brochure
23 entitled "Financial Opportunity For You To Own A Piece Of The Information
24 Superhighway", among other application documents.

25 12. Gerads, a High School graduate, was impressed with the overall
26 tenor of the documents. Although he did not have any experience or background



1 in telecommunications, Gerads was swayed by Vice President Gore's
2 comments, assuming that the Vice President of the United States would have
3 significant insight into future business trends. (In point of fact, the Vice
4 President's comments were about telecommunications in general, and not about
5 the SMR concept in particular.)

6 13. Various representatives of Respondent **DATA TECHNOLOGY**
7 **GROUP**, including Respondent **DEAN LUCAS**, followed up with Gerads by
8 telephone to convince him to invest in one of the partnerships, **LAS VEGAS 220**
9 **SMR**. After discussing the matter with his wife, Gerads agreed and submitted all
10 necessary paperwork so that the contents of his IRA (equal to two partnership
11 units) were transferred to the **LAS VEGAS 220 SMR** retirement account
12 custodian, Sterling Trust.

13 14. At the time of his investment, **LAS VEGAS 220 SMR** was a
14 Nevada general partnership (it later became a Colorado limited partnership) that
15 purportedly placed its funds into developing the SMR spectrum in Nevada.
16 Specialized Mobile Radio essentially consisted of an undeveloped slice of the
17 telecommunications spectrum for which the FCC sold licenses, generally for
18 local, limited commercial usage.

19 15. Respondents **DATA TECHNOLOGY GROUP** and **LAS VEGAS**
20 **220 SMR** were, upon information and belief, not unrelated entities. Respondent
21 **LEON SWICKOW** played a significant role in the establishment of the network
22 of SMR limited partnerships for which Respondent **DATA TECHNOLOGY**
23 **GROUP** sold interests in nationwide.

24 16. Respondents **DATA TECHNOLOGY GROUP** and **LAS VEGAS**
25 **220 SMR** purportedly wished to develop an SMR network throughout the West
26 Coast and eventually the country that could compete with the cellular spectrum.



1 Development of such a network depended on the creation of technology not yet
2 in existence and the rescission of the Federal Communications Commission's
3 "forty mile rule", a rule which effectively prohibited SMR from venturing beyond a
4 forty mile radius of the license holder.

5 17. No SMR network has ever been established for the use
6 Respondents intended, and Gerads' interest in the **LAS VEGAS 220 SMR**
7 partnership is essentially worthless. He has lost his entire retirement portfolio.

8 18. Respondents **DATA TECHNOLOGY GROUP** and **LAS VEGAS**
9 **220 SMR** were not licensed as broker-dealers in the State of Oregon.
10 Furthermore, Respondents **DATA TECHNOLOGY GROUP** and **LAS VEGAS**
11 **220 SMR** did not inform Gary Gerads that they were not licensed as broker-
12 dealers in the State of Oregon.

13 19. Respondents **LEON SWICKKOW, DEAN LUCAS** and **RICHARD J**
14 **ALLEN** were not licensed as broker-dealer salespersons in the State of Oregon.
15 Furthermore, Respondents **LEON SWICKKOW, DEAN LUCAS** and **RICHARD J**
16 **ALLEN** did not inform Gary Gerads that they were not licensed as broker-dealer
17 salespersons in the State of Oregon.

18 20. The partnership interest in **LAS VEGAS 220 SMR** was not
19 registered with the Oregon Division of Finance and Corporate Securities.
20 Furthermore, Respondents did not inform Gary Gerads that the interests were
21 not registered with the Oregon Division of Finance and Corporate Securities.

22 21. Respondent **DEAN LUCAS** made the following misrepresentations
23 to Gary Gerads: that Gerads would achieve a "cash profit within 120 days", that a
24 single unit purchased for \$12,500 could be worth \$150,000 in twelve years; and
25 that the partnership interest was appropriate for an investor nearing retirement.

26 22. Respondents failed to inform Gerads of the following material



1 information which would have allowed him to make an informed decision
2 regarding his investment in **LAS VEGAS 220 SMR**: technology necessary to
3 create a regional or nationwide SMR network that could compete with cellular
4 telephones was not yet existent; the Federal Communication Commission had a
5 "forty mile rule" which prohibited SMR from venturing beyond a forty mile radius
6 of a license holder and therefore made an SMR network impossible without
7 revocation of said rule; the partnership interest was not registered with the
8 Oregon Division of Finance and Corporate Securities; Respondents were not
9 licensed as broker - dealers or broker- dealer salespersons; an accurate
10 description of the backgrounds of the officers and directors of the corporation, a
11 disclosure of the true risks of this investment, and adequate financial information
12 about **LAS VEGAS 220 SMR's** operations.

13 23. Respondent **DEAN LUCAS** asserted that the partnership interest
14 was suitable for an investor nearing retirement, a statement made without
15 considering this potential investor's investment objectives, age, needs, and
16 financial situation. In fact, Gerads was nearing retirement and his needs could
17 not possibly be served by an investment in such a highly speculative, flimsy
18 venture.

19 CONCLUSIONS OF LAW

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22 The Director **CONCLUDES** that:

23 1. The interest in **LAS VEGAS 220 SMR** which was offered and sold
24 by Respondents is a "security" as defined in ORS 59.015(19)(a).

25 2. Respondents offered and/or sold unregistered securities in the
26 State of Oregon in violation of ORS 59.055.



1 3. Respondents offered and/or sold a security in the State of Oregon
2 without being licensed as a broker-dealer or broker-dealer salesperson in
3 violation of ORS 59.165 (1).

4 4. Respondents, in connection with the offer and/or sale of a
5 partnership interest in **LAS VEGAS 220 SMR**, asserted that Gary Gerads would
6 achieve a "cash profit within 120 days"; that a single unit purchased for \$12,500
7 could be worth \$150,000 in twelve years; that the partnership interest was
8 appropriate for an investor nearing retirement; failing to state that technology
9 necessary to create a regional or nationwide SMR network that could compete
10 with cellular telephones was not yet existent; failing to state that the Federal
11 Communication Commission had a "forty mile rule" which prohibited SMR from
12 venturing beyond a forty mile radius of a license holder and therefore made an
13 SMR network impossible without revocation of said rule; failing to state that the
14 partnership interest was not registered with the Oregon Division of Finance and
15 Corporate Securities; failing to state that Respondents were not licensed as
16 broker - dealers or broker- dealer salespersons; failing to provide an accurate
17 description of the backgrounds of the officers and directors of the corporation,
18 failing to provide a disclosure of the true risks of this investment, and failing to
19 provide adequate financial information about **LAS VEGAS 220 SMR's**
20 operations, all of which are untrue statements of a material fact and/or omissions
21 to state a material fact necessary in order to make the statements made, in the
22 light of the circumstances under which they were made, not misleading in
23 violation of ORS 59.135 (2).

24 //

25 **ORDER**



1 Therefore, the Director **ORDERS**

2 1. That Respondents shall cease and desist from offering and/or
3 selling securities to persons in the State of Oregon in violation of ORS Chapter
4 59, OAR Chapter 441, or the Oregon securities law.

5 2. That Respondent **DATA TECHNOLOGY GROUP** is ordered to pay
6 the sum of **FIFTEEN THOUSAND DOLLARS (\$15,000.00)** as a civil penalty for
7 violations of ORS 59.055, ORS 59.135, and ORS 59.165 described herein.

8 3. That Respondent **LAS VEGAS 220 SMR** is ordered to pay the sum
9 of **FIFTEEN THOUSAND DOLLARS (\$15,000.00)** as a civil penalty for violations
10 of ORS 59.055, ORS 59.135, and ORS 59.165 described herein.

11 4. That Respondent **LEON SWICKOW** is ordered to pay the sum of
12 **FIFTEEN THOUSAND DOLLARS (\$15,000.00)** as a civil penalty for violations of
13 ORS 59.055, ORS 59.135, and ORS 59.165 described herein. Furthermore,
14 Respondent **LEON SWICKOW** is prohibited from applying for an Oregon
15 securities license for a period of five years.

16 5. That Respondent **DEAN LUCAS** is ordered to pay the sum of
17 **TWENTY THOUSAND DOLLARS (\$20,000.00)** as a civil penalty for violations of
18 ORS 59.055, ORS 59.135, and ORS 59.165 described herein. Furthermore,
19 Respondent **DEAN LUCAS** is prohibited from applying for an Oregon securities
20 license for a period of five years.

21 6. That Respondent **RICHARD J ALLEN** is ordered to pay the sum of
22 **FIFTEEN THOUSAND DOLLARS (\$15,000.00)** as a civil penalty for violations of
23 ORS 59.055, ORS 59.135, and ORS 59.165 described herein. Furthermore,
24 Respondent **RICHARD J ALLEN** is prohibited from applying for an Oregon
25 securities license for a period of five years.

26 7. That Respondents are hereby denied the use of any exemptions



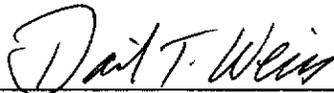
1 authorized by ORS 59.025 and ORS 59.035, until further order of the Director,
2 pursuant to ORS 59.045.

3 **IT IS SO ORDERED.**

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5 Dated this 9th day of January, 2002 at Salem, Oregon NUNC PRO TUNC
6 November 9, 2001.

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8 **MARY C. NEIDIG, DIRECTOR**
9 **DEPARTMENT OF CONSUMER & BUSINESS SERVICES**
10 **STATE OF OREGON**

11 **APPROVED AS TO FORM:**

12 
13 David T. Weiss
14 David T. Weiss
15 Securities Enforcement Officer
16 Division of Finance and Corporate Securities
17 Department of Consumer and Business Services
18 State of Oregon

Dated: 01-09-02

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