

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:)

) File No. 07-00549

Dean Waters (CRD # 4136539) ; and)

Chris Gilley.)
_____)

CONSENT ORDER OF CENSURE

TO THE RESPONDENTS: Dean Waters (CRD # 4136539)
2020 West State Street
Janesville, WI 53546

Chris Gilley
1902 Hancock Street
Rockford, Illinois 61103

WHEREAS, Respondents Dean Waters and Chris Gilley on the 16th day of July, 2008 executed a certain Stipulation to Enter Consent Order of Censure (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents Waters and Gilley have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated July 16, 2008 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Censure ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondents acknowledged that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact.

The grounds for such proposed action are as follows:

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1. Respondent Dean Waters (“Respondent Waters”) is a natural person and a licensed Insurance Producer with a last known address 2020 West State Street, Janesville, WI 53546.
2. Currently, Respondent Waters is neither authorized to offer or sell securities, nor is he registered as an investment adviser representative, in the State of Illinois. Respondent Waters was last registered to sell securities in the State of Illinois in September of 2006.
3. Respondent Chris Gilley (“Respondent Gilley”) is a natural person and a licensed Insurance Producer with a last known address of 1902 Hancock Street, Rockford, Illinois 61103.
4. Respondent Gilley is neither authorized to offer or sell securities, nor is he registered as an investment adviser representative, in the State of Illinois.
5. In or about February of 2007, Respondents Waters and Gilley made an unsolicited visit to the home of Investor A, an Illinois resident. At the time, Respondent Gilley was a trainee.
6. Investor A invested \$8,478.04 into a nonqualified deferred annuity recommended by Respondents Waters and Gilley.
7. Upon the recommendation of Respondents Waters and Gilley, Investor A sold the securities in her possession in the amount of \$64,299.60 in order to purchase an annuity recommended by Respondents Waters and Gilley. Respondents informed Investor A that the annuity they offered was better suited for her than the securities she held at that time.
8. Respondents Waters and Gilley, without being registered, provided advice to Investor A in connection with the sale of a variable annuity.

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9. Investor A was senior citizen, aged seventy-eight (78) years old and living on a limited income at the time of her investment in the annuity, which had a ten (10) year surrender penalty period. Respondents Waters and Gilley put almost all of Investor A's life savings, absent a \$2,000 savings account, in the annuity which they sold to her.
10. The activities of Respondent Waters, described above, constitute the activity of an investment adviser representative.
11. The activities of Respondent Gilley, described above, constitute the activity of an investment adviser representative.
12. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
13. At all relevant times, Respondents Waters and Gilley failed to file an application for registration as an investment adviser representative with the Secretary of State.
14. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment adviser or investment adviser representative, unless registered as such.
15. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
16. Respondents' recommendation to Investor A to sell the securities in her possession constituted conduct of an investment adviser as defined in the Act.

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17. The activities described above constitute the sale by Respondents Waters and Gilley of a security, as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.

WHEREAS, by means of the Stipulation Respondents have acknowledged, without admitting nor denying, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondents have violated section 12.C and 12.D of the Illinois Securities Law of 1953.

WHEREAS, by means of the Stipulation, Respondents have acknowledged and agreed that they shall be censured.

WHEREAS, by means of the Stipulation, Respondents, through their employer, will make an offer of rescission to Investor A for the entire principal amount of her investment, (less any withdrawals, excluding any fees charged) plus statutory interest thereon, pursuant to Section 13.A(1) of the Illinois Securities Law of 1953.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Dean Waters is censured.
2. Chris Gilley is censured.
3. Respondents, through their employer, will make an offer of rescission to Investor A for the entire principal amount of her investment, (less any withdrawals, excluding any fees charged) plus statutory interest thereon, pursuant to Section 13.A(1) of the Illinois Securities Law of 1953.

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4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 21st day of July, 2008.

A handwritten signature in black ink, appearing to read "Jesse White", written over a horizontal line.

JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the Act). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.