

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: INTEGRITY FINANCIAL GROUP, INC.,)
ITS OFFICERS, DIRECTORS,) File No. 0200872
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS,)
AND STEVE WIREMAN)

ORDER OF PROHIBITION

TO THE RESPONDENT: Integrity Financial Group
37 N. Vermilion
Danville, Illinois 61832

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings and Exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answer was filed, Respondent Integrity Financial Group, Inc. (hereinafter, "Respondent") is therefore deemed to be in default.

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5. That the Respondent is a business entity with a last known address of 37 North Vermilion, Danville, Illinois, 61832.
6. As to Count I of the Notice of Hearing, it is found that the Respondent, on or about May 6, 1998, by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Ardel Traeger, an Illinois resident, unregistered shares of Respondent's stock, the Respondent received money from the sale of the stock, and that the Respondent failed to offer or sell the shares of stock in accordance with the provisions of the Act.

As to Count II of the Notice of Hearing, it is found that the Respondent, on or about May 6, 1998, by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Ardel Traeger, an Illinois resident, unregistered shares of Respondent's stock, and that the Respondent failed to file with the Secretary of State any document or application required to be filed under any provision of the Act.

As to Count III of the Notice of Hearing, it is found that the Respondent, on or about May 6, 1998, by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Ardel Traeger, an Illinois resident, unregistered shares of Respondent's stock; that during the months of February or March, 1998, the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, represented to Traeger that all of the money which Traeger invested in the Respondent's stock would go solely toward an offshore project in the Cayman Islands and that said investment offered a return of 2.75 times the amount of the initial investment as well as a 12% annual return within 18 to 24 months at which time the aforesaid offshore project would be completed; that prior to the aforesaid investment, the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, failed to inform Traeger that funds from said investment would be used for payments to Doyle Abney, Clark Chevrolet, or deposited into the accounts of Unity Property and Development

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Corporation or Steve Wireman; that on or about May 6, 1998, the Respondent by and through its officers, directors, employees, affiliates, successors, agents and assigns, failed to invest Traeger's funds into an offshore Cayman Island project, but rather diverted said funds into the following: a deposit into the account of Unity Property and Development Corporation, a cashier's check to Doyle Abney, a cashier's check to Clark Chevrolet, and a deposit into Steve Wireman's personal bank account; that on or about June 17, 1998, Traeger received two checks from the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, for the purpose of paying Traeger the aforementioned return on his investment as originally promised by Steve Wireman; that the aforesaid checks from the Respondent were not honored by the bank due to insufficient funds; that 18 to 24 months have passed after Traeger made his original investment and Traeger has never received any money from the Respondent, nor has he received the return of 2.75 times his original investment or the 12% annual return of his original investments formerly represented by the Respondent; that at all times relevant hereto, the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, obtained money or property from Traeger by means of an untrue statement of material fact or an omission to state a material fact by representing to Traeger that his investment would go to an offshore Cayman Island project and that his investment would yield a return of 2.75 times his original investment as well as a 12% annual return within 18 to 24 months, whereas the Respondent never invested said funds in an offshore Cayman Island project but instead diverted the aforesaid investment into a cashier's check to Doyle Abney, a cashier's check to Clark Chevrolet, and into the accounts of Unity Property and development Corporation and Steve Wireman, diversions which the Respondent failed to mention at the time of the aforesaid investment; furthermore, the Respondent never returned any money or funds of any kind to Traeger as formerly represented or promised ; and that the Respondent obtained money by means of several untrue statements of material fact.

As to Count IV of the Notice of Hearing, it is found that the Respondent, on or about August 13, 1998, by and

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through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Archie Neal, an Illinois resident, unregistered shares of the Respondent's stock; that the Respondent received money from the sale of the unregistered stock, and that the Respondent failed to offer or sell the shares of stock in accordance with the provisions of the Act.

As to Count V of the Notice of Hearing, it is found that the Respondent, on or about August 14, 1998, , by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Archie Neal, an Illinois Resident, unregistered shares of the Respondent's stock; and that Respondent failed to file with the Secretary of State any document or application required to be filed under any provision of the Act.

As to Count VI of the Notice of Hearing, it is found that the Respondent, on or about August 14, 1998, by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Archie Neal, an Illinois resident, unregistered shares of the Respondent's stock; that during the month of August, 1998, prior to Neal's investment, the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, represented to Neal that for a minimum investment of \$5,000.00, said investment would have a return payoff of 2.75 times the initial investment as well as a 12% annual return until the time of aforesaid payoff and that the funds of said investment would go solely to a Cayman Islands investment project; that prior to the aforesaid investment, the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, failed to inform Neal that his investment would be used for remodeling the Respondent's corporate office or purchasing corporate automobiles; that during the months of August or September, 1998, Steve Wireman admitted to Neal that Neal's investment was being used to remodel the Respondent's corporate office and purchase corporate automobiles; that Neal has never received any money from the Respondent, nor has he received the return of 2.75 times his original investment or the 12% annual return of his original investment as formerly represented by the Respondent; that at all times relevant hereto, the Respondent, by and through its officers, directors,

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employees, affiliates, successors, agents and assigns, obtained money or property from Neal by means of an untrue statement of material fact or an omission to state a material fact by representing to Neal that his investment would go to a Cayman Islands investment project and that his investment would yield a return or payoff of 2.75 times his original investment as well as a 12 % annual return up to the date of the aforesaid payoff, whereas the Respondent never invested said funds in an offshore Cayman Islands investment project, but instead diverted the aforesaid investment into remodeling the Respondent's corporate office and purchasing corporate automobiles, diversions which the Respondent failed to mention at the time of the aforesaid investment; furthermore, the Respondent never returned any money or funds of any kind to Neal as formerly represented or promised by the Respondent; and that the Respondent obtained money by means of several untrue statements of material fact.

As to Count VII of the Notice of Hearing, it is found that the Respondent, on or about August 18, 1999, by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Brian Andrews, an Illinois resident, a 90 day promissory note in return for a loan of \$50,000.00; that the Respondent received money from the sale of the promissory note; and that the Respondent failed to offer or sell the promissory note in accordance with the provisions of the Act.

As to Count VII of the Notice of Hearing, it is found that the Respondent, on or about August 18, 1999, by and through its officers, directors, employees, affiliates, successors, agents and assigns, offered and sold Brian Andrews, an Illinois resident, a 90 day promissory note in return for a loan of \$50,000.00; that on the above date and prior to the aforesaid transaction, the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, represented that said note was to be repaid in full on or before November 18, 1999, as well as a return of 30% of the amount of the loan; that the Respondent also represented that the Respondent was a "rock solid" company and that the investors in the Respondent's company were going to make a lot of money and an

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investment by the Respondent in the Cayman Islands was a "done deal"; that the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, never informed Andrews prior to the aforesaid transaction that the Respondent's checks previously written to other investors had bounced or had not been honored due to insufficient funds; that prior to August 20, 1999, investment return checks written by the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, to other investors had bounced or had not been honored due to insufficient funds; that the Respondent, by and through its officers, directors, employees, affiliates, successors, agents and assigns, failed to pay Andrews the amount of the loan or promissory note on November 18, 1999, as promised, nor was Andrews paid a 30% return on the amount of this loan or promissory note; that Andrews has never received any money or return on this loan or promissory note from the Respondent; and that the Respondent obtained money by means of several untrue statements of material fact.

7. That Section 2.1 of the Act (815 ILCS 5/2.1) defines the term "Security" as any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option, or privilege on any security, certificate of deposit or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "Security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not mean a mineral investment contract or a mineral deferred delivery contract; provided, however, the Department

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shall have authority to regulate these contracts as hereinafter provided.

8. That Section 2.5 of the Act (815 ILCS 5/2.5) defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include every contract of sale or disposition of a security or interest in a security of value.
9. That Section 2.5a of the Act (815 ILCS 5/2a) defines the term "Offer" to include every offer to sell or otherwise dispose of, solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or a the circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
10. The Respondent induced Illinois residents to purchase said securities as detailed and documented in the Department's pleadings and Exhibits without first having registered the securities with the Illinois Secretary of State as is required by the Act. The foregoing actions, representations, and/or omissions tended to work a fraud upon Illinois purchasers, were untrue or misleading of material facts, and were made to obtain money from Illinois purchasers.
11. That Section 12.A of the Act (815 ILCS 5/12.A) provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
12. That Section 12.D of the Act (815 ILCS 5/12.D) provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.
13. That Section 12.G of the Act (815 ILCS 5/12.G) provides that it shall be a violation of the Act for any person to obtain money or property through the sale of securities

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by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

14. That by virtue of the foregoing, the Respondent has violated Sections 12.A, 12.D and 12.G of the Act on at least three separate occasions, namely at least one transaction involving the sale of an unregistered promissory note and at least two transactions involving the sale of unregistered stock to purchasers.
15. That Section 11.E(2) of the Act (815 ILCS 5/11.E(2)) provides inter alia, that if the Secretary of State shall find that any person has violated subsection D or G of Section 12 of the Act, the Secretary of State may by written order temporarily or permanently prohibit or suspend the person from offering or selling any securities in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition.
16. That Section 11.E(3) of the Act (815 ILCS 5/11.E(4)) provides that, in addition to any other sanction or remedy contained in subsection E, the Secretary of state, after finding that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson or is acting or has acted as an investment adviser or investment adviser representative, without prior thereto and at the time thereof having complied with the registration or notice filing requirements of the Act, may by written order prohibit or suspend the person from engaging in the business of selling or offering for sale securities, or acting as an investment adviser or investment adviser representative, in this State.
17. That Section 11.E(4) of the Act (815 ILCS 5/11.E(4)) provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00, for each

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violation of this Act, and may issue an order of public censure against the violator. However, the Department has requested on the record that no such fine be imposed in this Matter.

18. The entry of a Final Order of Prohibition is proper in this case, given the conduct of the Respondent as described in the pleadings and Secretary of State Exhibits No. 1-15.

WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. The actions, representations, and/or omissions of the Respondent made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of 815 ILCS 5/12.A. The actions, representations, and/or omissions of the Respondent made in connection with the failure to file required documents with the Secretary of State are violations of 815 ILCS 5/12.D. The actions, representations, and/or omissions of the Respondent which were untrue or misleading of material facts and were made to obtain money from Illinois purchasers are violations of 815 ILCS 5/12.G.
2. That by virtue of the foregoing, the Respondent is subject to an Order of Prohibition in the State of Illinois, and/or granting such other relief as may be authorized under this Act.
3. Because of the Findings of this Order, the evidence and exhibits admitted as Secretary of State Exhibits Nos. 1-15, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E(2), which permanently prohibits the offer or sale of securities by Respondent in the State of Illinois, is proper in this Matter.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the recommendation of the Hearing Officer and the authority granted by Section 11.E and Section 11.F of the Act, Integrity Financial, Inc., is hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

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ENTERED: This 5th day of *January*, 2004

Jesse White Jr

Jesse White
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of 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 the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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