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3. In 2015, Respondent caused a website to be created at realestate-gold.com (the "website"). Respondent controlled the website and, at least, as of August 11, 2016 (the date of the Notice of Hearing) the website was still up and available to the public.
4. Since then, the website was deactivated.
5. Respondent stated on the website, "Real Estate-Gold is a professional real estate crowdfunding platform offering real estate developments to the general public that previously where (sic) only available to the wealthy and venture capitalists. Now You (sic) can invest directly in these quality developments."
6. Respondent stated on the website that the address for Real Estate-Gold was 11921 S. Hobart Street in Palos Park, Illinois (where Respondent previously lived).
7. Respondent listed on the website four current investment properties (collectively, the "Projects"): Lake Hillmoor Project, Birch Path Project, Parkside Square Project, and New Lenox, IL Project.
8. Respondent stated on the page for the Lake Hillmoor Project in Lake Geneva, Wisconsin that \$2,000,000 of \$8,500,000 had been raised and provided the following key points:
 - Offering Type: Debt
 - Total Projected Sales: \$22,900,000
 - Total Projected Costs: \$10,500,000
 - Total Projected Profit: \$12,400,000
 - Investor Return: 15%
 - Developer Equity: \$2,000,000
 - Funds to Raise Goal: \$8,500,000
 - Total Investment: \$10,500,000
9. Respondent further stated that the start date was November 2015 and the projected finish date was September 2017. The developer was Tempo Development, Inc.
10. The Lake Hillmoor Project became an impossibility, around or about January 2016, when the City of Lake Geneva denied the request made by Tempo Development, Inc. for an Amendment to the Comprehensive Plan, which would have allowed a change in zoning from Rural Holding to Planned Development for the necessary five parcels of land.

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11. Respondent stated on the page for the Birch Path Project in Lemont, Illinois that \$1,184,793 of \$1,184,793 had been raised and provided the following key points:

- Offering Type: Debt
- Total Projected Sales: \$5,508,000
- Total Projected Costs: \$4,242,826
- Total Projected Profit: \$1,265,174
- Total Projected ROI: 30%
- Investment Period: 9 - 12 months
- Interest and Projected Preferred Profit Share: 15% interest
- Developer Equity: \$390,877 (25%)
- Funds to Raise Goal: \$1,184,793
- Minimum Investment: \$5,000

12. Respondent further stated that the construction start date was Spring 2015 and the planned completion date was December 2015. Tempo Development, Inc. would build the homes.

13. Respondent stated on the page for the Parkside Square Project in Orland Park, Illinois that \$2,095,000 of \$2,095,000 had been raised and provided the following key points:

- Offering Type: Debt
- Total Projected Sales: \$3,250,000
- Total Projected Costs: \$2,095,000
- Total Projected Profit: \$1,155,000
- Total Projected ROI: 55%
- Investment Period: 6 - 9 months
- Interest and Projected Preferred Profit Share: 12% interest
- Developer Equity: \$410,000 (20%)

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- Funds to Raise Goal: \$1,685,000
 - Total Investment: \$2,095,000
14. Respondent further stated that a contract was in place for the purchase of the lots after the completion of the site improvements. The construction start date for the improvements was July 2015 and the planned completion date was October 2015.
 15. Respondent identified the New Lenox, Illinois Project on the website as consisting of 28 single family homes, but no financial or construction information was provided.
 16. Respondent also stated the following on the website:
 - A. More crowdfunding projects were coming soon;
 - B. "Real Estate-Gold has an account with a major financial institution that the investor will deposit their funds into;" and
 - C. The minimum investment was \$10,000.
 17. The website was not adequately maintained to ensure that all information was current after its creation in 2015.
 18. Respondent represents that he did not raise any funds for any of the Projects using crowdfunding or general solicitation.
 19. All funding for the Projects was provided by Respondent, private partners, or bank loans.
 20. Respondent failed to have any mechanisms in place on the website to limit the offering to accredited investors (to qualify for a registration exemption) or to register the offered securities (to publicly solicit unaccredited investors).
 21. Section 12.D of the Act, 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 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.
 22. Section 11.E(1) of the Act provides, *inter alia*, that if the Secretary of State finds that the offer or sale or proposed offer or sale or method of offer or sale of any securities by any person, whether exempt or not, in this State, is being offered or sold in violation of Section 12, or there has been a failure or refusal to submit any notification filing or fee required under the Act, the Secretary of State may by written order prohibit or suspend the offer or sale of securities by that person or deny or revoke the registration of the securities or the exemption from registration for the securities.

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23. Section 11.E(4) of the Act provides, *inter alia*, that the Secretary of State, after finding that any provision of the Act has been violated, may issue an order of censure, charge costs of investigation, and impose a fine not to exceed \$10,000 for each violation of the Act.

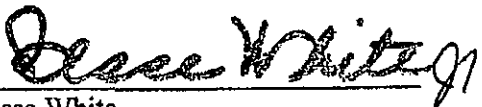
WHEREAS, Respondent has acknowledged that the allegations contained in paragraph VIII of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

24. By virtue of the foregoing, Respondent has violated Section 12.D of the Act.
25. By virtue of the foregoing, Respondent may be prohibited or suspended from offering or selling securities, fined, and censured pursuant to Section 11 of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

26. Respondent is Censured.
27. Respondent is Prohibited from offering, selling, or otherwise promoting or advertising any securities in or from the State of Illinois except in compliance with the Illinois Securities Law of 1953.
28. The Department will retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions stated herein.
29. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This 9th day of January, 2017.



Jesse White
Secretary of State
State of Illinois

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