

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

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IN THE MATTER OF: CECIL ALLEN WATKINS,))
and HOUSING RESOURCES CENTER OF INDIANA, INC.) FILE NO. 0900237
its managers, officers, affiliates, subsidiaries, representatives,))
successors, and assigns.))
_____)

CONSENT ORDER

TO RESPONDENTS:

**Cecil Allen Watkins
707 Lytle Street
Valparaiso, Indiana 46383**

**Housing Resources Center
of Indiana, Inc.
Cecil Allen Watkins
1201 Central Avenue,
Lake Station, Indiana 46405**

TO LEGAL COUNSEL:

**Jonathan Petersen
Law Office of Jonathan Petersen
608 165th Street, Ste. 201
Hammond, Indiana 46234**

**TO THE HEARING
OFFICER:**

**Soula J. Spyropoulos
4125 West Lunt Street
Lincolnwood, Illinois 60712**

WHEREAS, Respondents Cecil Allen Watkins ("Watkins") and Housing Resources Center of Indiana, Inc. ("Housing Resources"), by and through his duly authorized representative, on the 23rd day of July, 2012 executed a certain Stipulation to Enter Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents Watkins and Housing Resources have admitted to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the Stipulation, Respondent Watkins and Housing Resources acknowledged that the following allegations are true and shall be adopted as the Secretary of State's Findings of Fact:

1. Respondent Watkins is a natural person and a licensed real estate broker in the state of Indiana with a last known address of 707 Lytle Street, Valparaiso, Indiana 46383.
2. Respondent Housing Resources is an Indiana licensed corporation engaged in the business of real estate investments with a last known address of 1201 Central Avenue, Lake Station, Indiana 46405. Respondent Watkins is the President and Registered Agent of Respondent Housing Resources.
3. Respondent Watkins, through Respondent Housing Resources, obtained money from investors to finance the purchase and rehabilitation of residential real estate properties.
4. Investor A invested \$35,000.00 in a residential real estate rehabilitation project. Investor A is a citizen of the state of Illinois.
5. On May 12, 2006, Respondent Watkins tendered to Investor A a Note stating that for value received from Investor A in the amount of \$35,000.00, that principal plus a return of 12 percent interest would be due and payable on May 13, 2007.
6. The Note would be secured by a mortgage made by the undersigned, Respondent Watkins, to the payee, Investor A, which said that the mortgage covers the real estate property located at 4929 Calhoun Street, Griffith, Indiana 46319 ("the Property").
7. The Mortgage and the Note were signed by Respondent Watkins in his individual capacity and notarized by a notary in the state of Indiana.
8. In addition, Respondent Watkins, Grantor, tendered to Investor A, Grantee, a Warranty Deed that identified the investment property located at 4929 Calhoun Street, Griffith, Indiana 46319. The Warranty Deed was signed by Respondent Watkins in his individual capacity and notarized by a notary in the State of Indiana.
9. At all relevant times, Respondent Watkins and Respondent Housing Resources possessed no more than equitable title in the Property; and, therefore, had no right to make these guarantees to the Grantee, Investor A, in the Property.
10. On May 15, 2006, Investor A tendered to Respondent Watkins a cashier's check in the amount of \$35,000.00. The cashier's check was made out to Allen Watkins, not Housing Resources Center of Indiana, Inc.

11. On May 16, 2006, Respondent Watkins indorsed and deposited the \$35,000.00 cashier's check into the Housing Resource Center account at Mercantile Bank located in Indiana.
12. To date, Respondent Watkins has failed to pay back Investor A the \$35,000.00 principal and the promised 12 percent interest.
13. In or around May 2007, the approximate due date of the Note, Investor A contacted Respondent Watkins to inquire when they would receive the monies owed in this real estate investment.
14. Approximately one year later, Investor A discovered that Respondent Watkins did not have legal title in the Property.
15. In fact, the Indiana County Recorder of Deeds confirmed that Watkins never held legal title in the Property.
16. The mortgage on the Property between Respondent Watkins and Investor A had to be voided since Respondent Watkins was not the record owner.
17. During the time frame that Respondents transacted with Investor A the Respondents believed that Respondents possessed legal title to the Property, the Respondents later acknowledged to the Illinois Securities Department that the Respondents did not have legal title at the time Respondent Watkins signed the Warranty Deed or any time before or thereafter.
18. Respondent Watkins activities described above involve the offer and sale of a note and/or an investment contract as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
19. Respondent's actions described *supra* constitute one or more violations of Section 12.A of the Act.

WHEREAS, by means of the Stipulation, Respondents Watkins and Housing Resources have acknowledged that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. The Respondents have violated Section 12.A of the Act;
3. The Illinois Securities Department finds the following relief appropriate and in the public interest.

WHEREAS, in accordance with the terms established in the Stipulation to Consent Order, Respondent Watkins paid restitution to Investor A in the amount of twenty thousand dollars (\$20,000.00).

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondents Watkins and Housing Resources are permanently prohibited from offering and/or selling securities in or from the state of Illinois.
2. In accordance with the terms established in the Stipulation to Consent Order, Respondent Watkins paid restitution to Investor A in the amount of twenty thousand dollars (\$20,000.00).
3. The Notice of Hearing dated January 31, 2010, as it relates to Respondents Watkins and Housing Resources will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Order.
4. The entry of this Order ends the Secretary of State Securities Department's formal hearing of this matter.

Entered: This 1st day of August, 2012.


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 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.

Attorneys for the Secretary of State:
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