

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

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IN THE MATTER OF: WOITEL, KELLY J. )  
\_\_\_\_\_)

FILE NO. C0200373

**CONSENT ORDER OF SUSPENSION**

TO THE RESPONDENT:            Kelly J. Woitel  
   CRD # 840853  
   619 N. Russell  
   Geneseo, IL 61254

WHEREAS, Respondent on the 27 day of August, 2003 executed a certain Stipulation to Enter Consent Order of Suspension(the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated May 21, 2003 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Suspension "Consent Order").

WHEREAS, the Respondent acknowledges that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. Kelly J. Woitel ("Respondent"), is an individual with a last known address of 619 N. Russell, Geneseo, IL 61254.
2. Respondent was registered as a salesperson with the Secretary of State, Securities Department ("the Department") from March, 1977 through August, 2002.
3. Respondent was registered through Multi-Financial Securities Corporation ("MFSC") from June, 1995 through August, 2002. Beginning in May 2000, Respondent maintained an office within American Bank and Trust Co. ("Bank") located in Rock Island, Illinois.

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4. Wells REIT was and is a Private Real Estate Investment Trust, which owns and leases commercial property.
5. At all relevant times, there was no publicly traded market for shares of Wells REIT.
6. As a salesperson for MFSC, Respondent offered and sold shares of Wells Real Estate Investment Trust ("Wells REIT") common stock to more than one Illinois investor.
7. In or around June, 2001, Investor A purchased through Respondent 7,500 shares of Wells REIT at \$10.00 per share for a total investment of \$75,000.00 (seventy five thousand dollars).
8. In or around June, 2001, prior to investing in Wells REIT, Investor A received a description ("Description A") of the investment in Wells REIT. Description A was on the Bank letterhead and signed by Respondent as Managing Director, Investment Division.
9. Respondent, by affidavit states that:
  - a) Description A was intended only for internal purposes.
  - b) Respondent never distributed Description A or caused Description A to be distributed to investors.
  - c) Respondent failed to maintain sufficient controls to prevent Description A to be provided to at least one investor.
10. Description A contained the following information that Respondent knew or should have known was inaccurate:
  - a) Description A stated "Guaranteed redemption after one year with no loss of principal." In fact, Wells REIT disclosure documents ("the Prospectus") stated that share redemption was contingent on Wells REIT's ability to attract new investors. The Prospectus specifically stated, "We cannot guarantee that the funds set aside for the share redemption program will be sufficient to accommodate all requests made in any year."
  - b) Description A stated "5 year APY 8.71% and 10 year APY 10.61%." Whereas the Prospectus states Wells REIT began operations on June 5, 1998 or approximately 3 (three) years prior to the sale. The quoted annualized percent yields were misleading in that the quoted APY are for a period longer than Wells REIT had conducted operations.

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- c) Furthermore, Description A "quoted" annualized percent yields that were misleading in that the quoted APY assumed a dividend of 7.5% over the entire period. In fact, Wells REIT paid an Annualized Percent Return of 6.0% and 6.5% for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 1998, respectively, and 7.0 % Annualized Percent Return for all of 1999.
  - d) Although Description A was on Bank letterhead, it failed to indicate that Wells REIT was not FDIC insured, may lose value and was not bank guaranteed.
  - e) Description A quoted a 7.5% dividend, but failed to indicate that that dividend had and would vary based upon Wells REIT operations.
11. Pursuant to MFSC's policy, Description A is either correspondence and/or advertising material.
  12. MFSC's policy required all correspondence and/or advertising material to be reviewed by MFSC's compliance department.
  13. Although Respondent submitted other correspondence and advertising material for review, respondent never submitted Description A for review.
  14. On or around April 16, 2002 thru April 19, 2002 an Auditor from the Illinois Securities Department conducted an audit ("Audit") of the securities activity of Respondent.
  15. As part of that Audit, the auditor requested copies of all correspondence and advertising material.
  16. Although, Respondent produced limited material responsive to the request, that material did not include Description A.
  17. The activities described in paragraphs 6 through 8 constitute the offer and sale of stock and therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Act.
  18. Section 12.A of the Act provides that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of this Act.

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19. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that the salesperson has violated any of the provisions of the Act.
20. Section 8.E(1)(r) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that the salesperson has refused or otherwise impeded designees of the Secretary of State from conducting an audit.
21. Section 8.E(3) of the Act provides, *inter alia*, that the Secretary of State may institute a revocation proceeding within two years after withdrawal became effective and enter a revocation order as of the last date on which registration was effective.
22. The Department has concluded the investigation of Respondent's activities regarding the sales of Wells REITS prior to August 7, 2002.

**WHEREAS** , Respondent acknowledges that the following shall be adopted as the Secretary of State's Conclusion of Law:

By the virtue of the forgoing:

1. Respondent violated Section 12.A of the Act.
2. Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E (1)(g) and of the Act.
3. Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E (1)(r) and of the Act.

**WHEREAS**, Respondent has acknowledges and agrees that:

1. Respondents registration in the State of Illinois as a salesperson with shall be suspended for fourteen (14) months. Such suspension shall have begun as of July 30, 2002.
2. Respondent's pending application with Eagle One Investments, LLC is granted effective September 30, 2003, subject to the terms of this Consent Order. However, the ability of the Department to deny or revoke such registration, either prior or subsequent to September 30, 2003, shall not be limited.

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3. Respondent shall comply with the undertakings of Addendum A, incorporated herein by reference.
4. Respondent shall pay the sum of twenty five thousand dollars (\$25,000.00) to the Office of the Secretary of State, Audit and Enforcement Fund, as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Office of the Secretary of State, Audit and Enforcement Fund and shall be due within thirty (30) days from the entry of this Consent Order.

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.

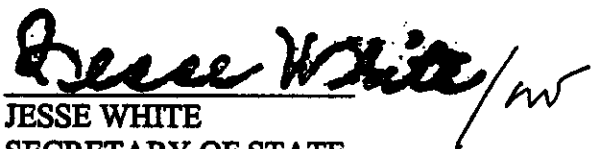
### NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondents registration in the State of Illinois as a salesperson with Multi-Financial Securities Corporation shall be suspended for fourteen (14) months. Such suspension shall commence as of July 30, 2002.
2. Respondent's pending application with Eagle One Investments, LLC is granted effective September 30, 2003, subject to the terms of this Consent Order. However, the ability of the Department to deny or revoke such registration, either prior or subsequent to September 30, 2003, shall not be limited.
3. Respondent shall comply with the undertakings of Addendum A, incorporated herein by reference.
4. Respondent shall pay the sum of twenty five thousand dollars (\$25,000.00) to the Office of the Secretary of State, Securities Audit and Enforcement Fund, as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Office of the Secretary of State, Audit and Enforcement Fund and shall be due within thirty (30) days from the entry of this Consent Order.

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

ENTERED  
This 5<sup>th</sup> day of September, 2003

Handwritten signature of Jesse White in cursive script, followed by a forward slash and the initials 'JW'.

JESSE WHITE  
SECRETARY OF STATE  
STATE OF ILLINOIS