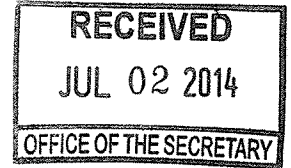


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15408

In the Matter of	:	CHIEF ADMINISTRATIVE
	:	LAW JUDGE
JOEL I. WILSON	:	BRENDA P. MURRAY

MOTION FOR INITIAL DECISION BASED ON DEFAULT

The Division of Enforcement (“Division”), pursuant to Commission Rule of Practice 155(a), hereby moves the Court to issue an Initial Decision and determine the proceeding against Respondent Joel I. Wilson (“Wilson” or “Respondent”). The Court has found the Respondent to be in default, for failing to file an answer to the Order Instituting Proceedings (“OIP”), for not participating in a scheduled prehearing conference on June 16, 2014, and for not otherwise defending the proceeding. *See* Order Following Prehearing Conference and Finding Respondent in Default, dated June 17, 2014. The Division asks, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”), that the Respondent be barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

In support of its motion, the Division states as follows:

1. In deciding this motion, the Court may consider the OIP and deem the allegations contained in the OIP to be true. *See* Rule 155(a).

2. In determining the appropriate sanctions, the Court must consider whether the public interest requires the imposition of sanctions and should consider the following factors: (1) the egregiousness of the actions; (2) the isolated or recurrent nature of the infractions; (3) the degree of scienter involved; (4) the sincerity of a respondent's assurances against future violations; (5) a respondent's recognition of the wrongful nature of his or her conduct; and (6) the likelihood that a respondent's occupation will present opportunities for future violations. *See Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981) (*quoting SEC v. Blatt*, 583 F.2d 1325, 1334 n.29 (5th Cir. 1978)).

3. Other factors to be considered include the age of the violations and the degree of harm to investors and the marketplace as a result of the violations. *See In the Matter of Marshall E. Melton, et al.*, Advisers Act Rel. No. 2151 (July 25, 2003), 2003 WL 21729839, at *2.

4. The Court also may consider the extent to which a sanction will have a deterrent effect. *See In the Matter of Schield Management Co., et al.*, 58 S.E.C. 1197, Exchange Act Rel. No. 53201, (Jan. 31, 2006).

5. The entry of an injunction against a respondent by a District Court provides ample basis for imposing sanctions such as those requested here. The Commission has articulated its view on this issue as follows:

Indeed, "conduct that violates the antifraud provisions of the securities laws is especially serious and subject to the severest of sanctions under the securities laws." As we have previously held, an injunction against violations of the antifraud provisions of the securities laws "has especially serious implications for the public interest," and "ordinarily, and in the absence of evidence to the contrary, it will be in the public interest to ... suspend or bar from participation in the securities industry, or prohibit from participation in an offering of penny stock, a respondent who is enjoined from violating the antifraud provisions."

In the Matter of Vladimir Boris Bugarski, et al., Exchange Act Rel. No 66842, 2012 WL 1377357, at *6 (April 20, 2012). (*quoting* Marshall E. Melton, 2003 WL 21729839, at *9). Historically, respondents who have been enjoined from violating the antifraud provisions are routinely barred from the securities industry. In the Matter of Stefan H. Bengler, Exchange Act Rel. No. 499, , 2013 WL 3832276, at *4 (Jul. 25, 2013).

6. Based on the allegations of the OIP, all the foregoing factors have been satisfied and the Respondent should be barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

7. Respondent has been enjoined from future violations of the antifraud provisions. (OIP at ¶ 2, Section 2(B).)

8. The Respondent's actions were egregious, repeated over a substantial period of time, and done with a high degree of scienter.

[F]rom September 2009 through October 2012, Wilson raised approximately \$6.7 million from approximately 120 investors who invested in unregistered securities offerings issued by his company, Diversified Group Partnership Management, LLC. Wilson engaged in a scheme to defraud investors by making multiple material misrepresentations and omissions of material facts to investors about the use of investor funds and the risk and profitability of the investments. Among other things, (1) Wilson used investor funds to make unsecured loans to his companies inconsistent with what he told investors; (2) Wilson's real estate business earned insufficient income to pay investors their interest and principal as promised; (3) new investor funds were being used to pay interest to previous investors; (4) investors received account statements falsely reflecting that the real estate business was successful; and (5) Wilson used investor funds to make unauthorized purchases. In addition, American Realty Corporation, a registered reporting company owned and operated by Wilson, made several misrepresentations in certain of its Commission filings which were signed by Wilson. (Id. at ¶ 3, Section II(B).)

9. The Respondent has offered no assurances against future violations.
10. The Respondent has shown no recognition of the wrongful nature of his actions.
11. The Respondent has the opportunity for future violations. The Respondent's

significant experience in the securities industry strongly suggests that, if allowed, he will remain in an occupation that will give him ample opportunities for future violations of securities laws.

The Respondent's previous experience in the securities industry includes:

From May 2007 through May 2009, Wilson worked as a registered representative at Signator Investors, Inc. He was subsequently employed as a registered representative at Chelsea Financial Services from June 2009 through January 2010. From November 2010 through November 2012, Wilson owned and operated W R Rice Financial Services, Inc., a registered broker-dealer. He was an investment adviser representative for the Diversified Group Advisory Firm, a Michigan-registered investment adviser, from March 2010 through November 2012. During the relevant times, Wilson held Series 6, 7, 24, 53, 63, and 65 licenses. (*Id.* at ¶ 1, Section II(A).)

12. The harm suffered by investors as a result of the Respondent's violations has been severe. The Respondent raised approximately \$6.7 million from approximately 120 investors who invested in unregistered securities offerings issued by the Respondent's company, Diversified Group Partnership Management, LLC. (OIP at ¶ 3, Section II(B).) The Respondent engaged in a scheme to defraud investors by making multiple material misrepresentations and omissions of material facts to investors about the use of investor funds and the risk and profitability of the investments. (*Id.*) Furthermore, American Realty Corporation, a registered reporting company owned and operated by the Respondent, made several misrepresentations in certain of its Commission filings which were signed by the Respondent. (*Id.*)

13. Imposing sanctions upon the Respondent is necessary to deter him from engaging in future misconduct, as well as to deter other industry participants from defrauding investors.

For the reasons cited above, the Commission respectfully requests, pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act, that the Respondent be barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Dated: July 1, 2014

Respectfully Submitted,

By:



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