

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70125 / August 6, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3644 / August 6, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15408

In the Matter of

JOEL I. WILSON,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted 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”), against Joel I. Wilson (“Respondent” or “Wilson”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Joel I. Wilson, age 31, resided at relevant times in Saginaw, Michigan. He is now a resident of Dresden, Germany. 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.

B. ENTRY OF THE INJUNCTION

2. On July 26, 2013, a second amended final judgment was entered against Wilson, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 13(a) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-13, and 13a-14 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Joel I. Wilson, et al., Civil Action Number 1:12-CV-15062, in the United States District Court for the Eastern District of Michigan. The Court also ordered Wilson to disgorge \$6,403,580 plus \$290,319 of pre-judgment interest and to pay a civil penalty of \$7,500. Wilson was also barred from acting as an officer or director of any issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act or which is required to file reports pursuant to Section 15(d) of the Exchange Act.

3. The Commission’s complaint alleged that, from 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.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary