

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
GREAT AMERICAN HOTELS & RESORTS, INC.,
EDWARD L. BATES, and
BAILEY E. SPEARS, JR.,

PETITION FOR ORDER

Respondents.

File No. S-00209(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement, has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Great American Hotels & Resorts, Inc. ("Great American") is a foreign business entity with a last known business address of 120 Firestone Pointe, Duluth, Georgia 30097-2077;
2. Upon information and belief, Edward L. Bates, ("Bates") is an individual with a CRD number of 1815183, and a date of birth of July 4, 1956, who at all times material hereto has been the President of Great American, with a last known business address at that of Great American;
3. Bailey E. Spears, Jr. ("Spears") is an individual with a CRD number of 1547960, with a date of birth of May 28, 1951, who at all times material hereto has been an agent of Great American and Bates with a last known business address at that of Great American and a last known home address of 8825 Applegate Lane, Duluth, Georgia 30350;
4. During the period of 2000 and 2001, Spears, on behalf of Great American and Bates, offered and sold to at least one person in Wisconsin stock of Great American;
5. The stock of Great American has never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
6. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin;
7. In connection with the offers and sales of the securities described above, Spears transacted business in Wisconsin as an "agent" for Great American and Bates, as that term is defined by sec. 551.02(2), Wis. Stats.;
8. At no time has Spears been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;
9. Spears has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;
11. Great American and Bates have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;
12. On December 7, 2000, the National Association of Securities Dealers issued a sanction against Bates, which included a fine, suspension and bar from association with any NASD member, for violation of the net capital rules and failing to maintain current, complete, and accurate books and records;

