

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

In the Matter of,

WISCONSIN HOME BUYERS NETWORK, LLC,
WIHBN REALITY, LLC,
WIHBN CONTRACTOR,
SERVICES, LLC,
WIHBN FINANCIAL SERVICES, LLC,
WIHBN ELECTRICAL MECHANICAL,
SERVICES, LLC, WIHBN TOTAL PLUMBING,
SERVICES, LLC, X-SPECK LLC,
AND
JEREMY ARRINGTON,

FINAL ORDER BY CONSENT TO
CEASE AND DESIST, REVOKING
EXEMPTIONS AND IMPOSING
RESTITUTION AND CIVIL
PENALTIES

DFI Case No. S-236789 (EX)

Respondents.

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (“Ch. 551”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Wisconsin Homebuyer’s Network, LLC (“WIHBN”) is a Wisconsin limited liability company organized on February 3, 2010, with a last known business address of N112W16298 Mequon Road, Suite 103, Germantown, WI 53022. At all times material, WIHBN was owned and controlled by Jeremy Arrington and Joseph Nemeth. The business of WIHBN was property management and real estate investments, which

involved the acquisition, renovation, leasing and/or reselling of real estate properties in Wisconsin.

2. Arrington and Nemeth were also owners and members of the following commercial businesses associated with WIHBN (except for the plumbing and electrical companies which had an additional minority owner as well):
 - a. WIHBN Realty, LLC;
 - b. WIHBN Contractor Services, LLC;
 - c. X-Speck LLC;
 - d. WIHBN Financial Services, LLC
 - e. WIHBN Electrical Mechanical Services, LLC; and
 - f. WIHBN Total Plumbing Services, LLC.
3. Arrington and Nemeth held real estate properties in the name of WIHBN and used the other limited liability companies listed in ¶ 2 to support and service the real estate projects of WIHBN.
4. Jeremy Arrington (“Arrington”) is an adult male resident of Middleton, Wisconsin with a last known address of 3568 Flagstone Circle, Middleton, Wisconsin 53562. At all times material, Arrington was a managing member and the Chief Financial Officer for WHBN.
5. Arrington is also sole owner of Citadel Investments, LLC and Deadwyler Consulting Group, Inc. These businesses are unrelated to WIHBN.
6. On August 8, 1997, Arrington pleaded no contest to two counts of felony forgery and served four months in confinement.

Conduct

7. Joseph Nemeth (“Nemeth”) is an adult male resident of Germantown, Wisconsin with a last known address of W165N10509 Wagon Trail, Germantown, Wisconsin 53022. At all times material, Nemeth was a managing member and the Chief Executive Officer of WHBN.

Nemeth’s Prior Legal History

8. Prior to creating the WIHBN businesses, Nemeth was a defendant in the following civil lawsuits:
 - a. Money judgment against Nemeth and his business Pyramid Commercial Cleaning Services Group, Inc. in the amount of \$24,329 in Dane County Case No. 2003CV220, filed on January 22, 2003, discharged in bankruptcy in 2008.

- b. Money judgment against Nemeth and his business Home Equity Group, Inc., in the amount of \$1,520.81 in Dane County Case No. 2000SC10890, filed on November 8, 2000, discharged in bankruptcy in 2008.
 - c. Money judgment against Nemeth in the amount of \$4,129.13 in Dane County Case no. 2003SC7946, filed on July 23, 2003, discharged in bankruptcy in 2008.
 - d. Money judgment against Nemeth and his business Pinnacle Cleaning Services, LLC in the amount of \$3,241 in Dane County Case No. 2006SC8462, filed on August 7, 2006, discharged in bankruptcy in 2008.
 - e. Money judgment against Nemeth and Pinnacle Cleaning Services in the amount of \$13,307.30 in Dane County Case No. 2007CV1702, filed on May 17, 2007, discharged in bankruptcy in 2008.
 - f. Money judgment against Nemeth in the amount of \$1,912.80 in Dane County Case No. 2007SC11297, filed on October 1, 2007, discharged in bankruptcy in 2008.
9. In addition, prior to creating the WIHBN businesses, Nemeth was the subject of numerous delinquent tax and penalty warrants from the Department of Workforce Development and the Department of Revenue in the total amount of \$52,740.23.
10. Nemeth and his spouse filed for personal bankruptcy on December 6, 2007 and were discharged as of March 20, 2008 (Case no. 07-14843 Bankr. W.D. Wis.). Nemeth also filed a chapter 7 bankruptcy petition in 1991 (Case no. 91-04493 Bankr. M.D. Florida).

Conduct Relating to WIHBN

11. At no time was WIHBN or any of its affiliated entities registered with the Division in any capacity.
12. At no time was Arrington registered with the Division in any capacity.
13. At no time was Nemeth registered with the Division in any capacity.
14. From 2012 to 2017, Arrington and Nemeth through WIHBN solicited at least \$2.8 million from approximately 14 Wisconsin residents and two non-Wisconsin residents to invest in WHBN. Arrington and Nemeth represented to the prospective investors that their funds would be used to acquire and renovate real estate, which would then be leased to tenants or sold for a profit. In some instances, prospective investors were told their investment funds would be used for the general business operations of WIHBN. In other instances, investors were told their funds would be used for a specific purpose or to purchase or renovate a specific property and would be secured by a mortgage. In exchange for their investment of funds, investors received promissory notes with rates of return between 12-36%.

15. In WIHBN’s marketing video and on its website, <http://wihbn.com>, WIHBN promoted itself as a “one-stop shop” for real estate, renovation and investment needs:



"We are Wisconsin Home Buyers Network" Your One Stop Shop for Real Estate, Rehab & Investment Needs

Realty Content Area for Home Page



We are WIHBN Realty, LLC, your personalized real estate brokerage. We make it our mission is to build strong relationships, through successful and profitable real estate transactions for buyers, sellers, investors and industry professionals. We specialize in real estate consulting and educational services. As an active investor and property manager, we bring a reliable level of experience to our customers. Through our own transactions,

Contractor Services Content Area For Home Page



We are a one-stop shop for all of your construction, maintenance, and rehabilitation needs. We provide valuable affiliations to our growing base of real estate investors, wholesalers, and associates within our referral network. Our network of professional contractors includes: General Contracting; Plumbing; Electrical; HVAC; Commercial Janitorial; Pest Control; Camera & Security Systems; and a plethora of other unique services relating to

Investors Content Area For Home Page



For real estate investors who are knowledgeable about market trends, fluctuations, and the opportunities they create, buying undervalued or distressed properties can be a very profitable business. We help experienced investors to mitigate property management, economic and personal time restraints while helping novice investors capitalize on current real estate market conditions. Our network of service providers, property sources,

16. Its mission statement touted:

Mission Statement

CORPORATE MISSION

At **Wisconsin Home Buyers Network** we help buyers identify real estate opportunities within a geo-targeted market that meets the unique housing/investment requirements for their individual needs.

Together we create joint-venture partnerships with private investors in commercial real estate endeavors for the mutual benefit of both parties and the profitable expansion into targeted key markets. We also strive to identify short-term commercial real estate opportunities that meet the investment criteria for equitable interest and positive monthly cash-flow.

Wisconsin Home Buyers Network works with experienced investors to mitigate property management, economic and personal time restraints, while at the same time helping novice investors capitalize on current real estate market conditions with the support of a professional network of contractors and real estate property service providers.

17. The website described WIHBN as:

About Us

Wisconsin Home Buyers Network, LLC is essentially three separate companies that cover every aspect of the real estate industry. **Wisconsin Home Buyers Network, LLC**, is the parent company of **WIHBN Realty, LLC** and **WIHBN Contractor Services, LLC**.

WIHBN Realty, LLC, is a full-service, Wisconsin-based real estate brokerage. Whether you are shopping for a home, thinking about selling your property, or interested in real estate investing at any level, large or small, we can help. At **WIHBN Realty, LLC**, we maintain vigil observation on several key target markets, which allows our buyers to find the best traditional and unique purchase opportunities available in these current market conditions.

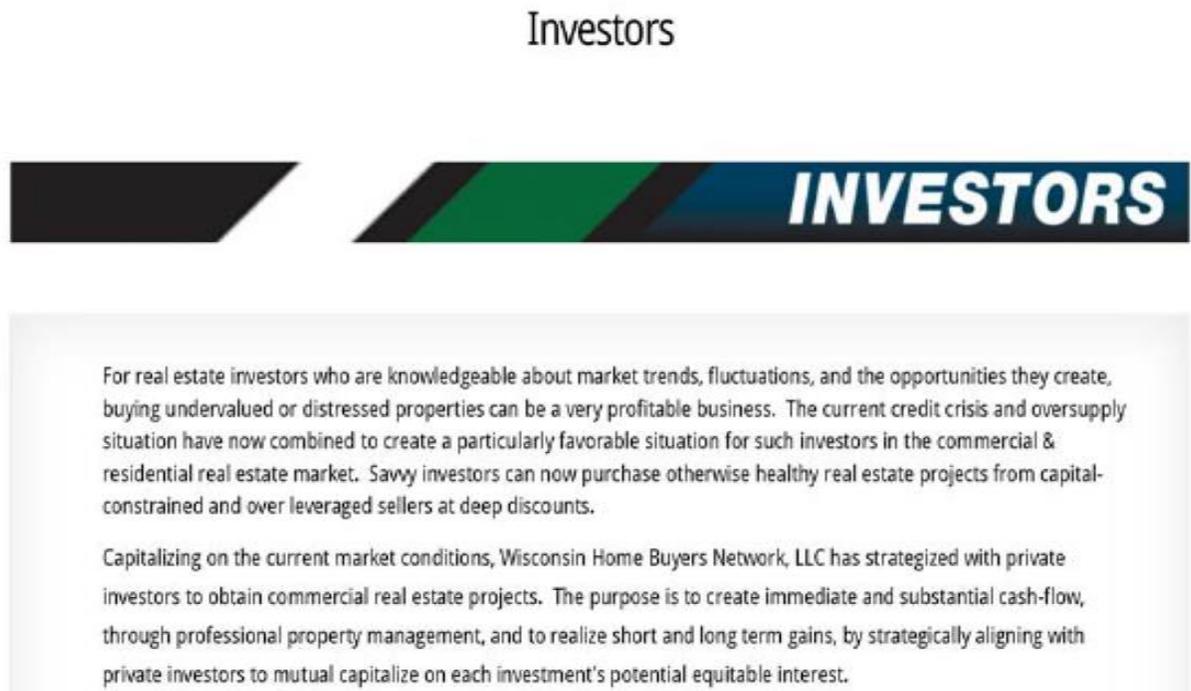
WIHBN Contractor Services, LLC, is a licensed general contractor with an outstanding internal network of professional contractor service organizations. We are essentially a “one-stop” shop for our customers that require a wide variety of real estate, property management, construction and handyman services.

Our network of professional contractors includes: General Contracting; Electrical; HVAC; Commercial Janitorial; Pest Control, Camera & Security Systems and more, but we specialize on the unique services that relate to the construction, rehab and property management aspects of real estate.

Wisconsin Home Buyers Network, LLC, is also responsible for the acquisition and property management services for all of our residential and commercial real estate projects. By specializing in a wide variety of real estate transaction strategies – foreclosures, fix & flip (rehabbing), short sales, wholesaling and bulk REO transactions, **Wisconsin Home Buyers Network, LLC**, is able to identify the truly unique real estate opportunities that allow our private investors to capitalize on their investments with excellent ROI and highly profitable buy-and-hold scenarios.

Our company's greatest attribute is that we always “walk the walk.” We don't just talk about real estate investing, we are involved in real estate at every level. With projects under contract in all phases of construction and rehab, we're not just experienced in all phases of real estate from discovery to profitability, but we also maintain ownership and property management responsibilities for multiple properties ranging from single-family homes all the way up to 16-unit apartment buildings.

18. WIHBN further solicited investors on an “investors” page of its website which contained the following representations:



19. Investor funds were deposited into a Wells Fargo banking account (-5699) in the name of WIHBN, controlled by Nemeth and Arrington. Investor funds were commingled in account -5699 with revenue generated from WIHBN's business operations such as rents, real estate commissions, and profits from flipping real estate.
20. WIHBN and the other limited liability companies were established by Arrington and Nemeth to provide a variety of real estate and construction related services, including real estate brokerage, real estate investing (acquiring, rehabbing and flipping real estate properties for a profit), property management, general contracting and trade contractor services.
21. Beginning in 2012 through 2018, when WIHBN did not generate enough revenue to pay principal and interest on the promissory note obligations as they became due, Arrington and Nemeth used new investor funds to make Ponzi-like payments to other investors.

22. Arrington and Nemeth failed to record mortgages to secure WIHBN investors' interests in specific properties as they represented to investors they would do, and frequently failed to use investors' funds for the purposes for which Arrington and Nemeth represented they would be used.
23. Arrington and Nemeth commingled funds of all the WIHBN businesses and commingled funds with Arrington's separately owned businesses, Deadwyler Consulting and Citadel Investments, without informing investors of how the funds were actually spent.
24. WIHBN through Arrington and Nemeth failed to make timely unemployment insurance contributions to DWD and failed to inform investors of the delinquent tax obligations.
25. WIHBN through Arrington and Nemeth did not disclose to investors that they were unable to pay principal and interest on promissory notes when they became due and that investor funds were used to make Ponzi payments to other investors.
26. The Division's analysis of the bank records of WIHBN and its affiliated businesses demonstrates that from 2012 through 2018, WIHBN did not generate sufficient revenue *in any year* to pay for all of its operating expenses and payment obligations under the promissory notes and mortgages held by investors.
27. At no time did WIHBN through Arrington or Nemeth disclose to prospective investors Nemeth's prior bankruptcies, numerous DWD and DOR delinquent tax and penalty warrants, and civil money judgments against him and his prior business affiliations.
28. At no time did WIHBN through Arrington or Nemeth disclose to prospective investors Arrington's prior criminal conviction for forgery.
29. At no time did WIHBN through Arrington or Nemeth inform prospective investors they were not registered to offer and sell securities in the State of Wisconsin.
30. The funds invested by certain individuals in WIHBN are summarized in Exhibit 1. Of over \$2.8 million in investor funds obtained by Arrington and Nemeth on behalf of WIHBN, less than \$500,000 has been returned to the investors as principal and interest.
31. None of the investors ever gave Arrington, Nemeth or WIHBN consent or permission to use their investment funds for any purpose other than to make investments for the real estate business of WIHBN.

INVESTOR 1 - JH

32. Investor JH of Elk Mound, Wisconsin first learned about WIHBN through Arrington when he responded to Arrington's Craigslist advertisement concerning the sale of a used

computer printer. In 2011 and 2012, Investor JH met several times with Arrington in Madison, Wisconsin to discuss investing in WIHBN. Investor JH was told by Nemeth and Arrington his investment funds would be used to acquire and improve real estate properties in Milwaukee.

33. Investor JH reviewed the WIHBN website prior to investing in WIHBN. Investor JH was not an accredited investor.
34. During 2011-2012, through five separate transactions Investor JH invested \$168,010 in WIHBN for the purpose of acquiring and improving real estate properties in exchange for numerous promissory notes that provided either monthly interest payments or lump sum balloon payments upon a maturity date. Only \$13,500 has been repaid to Investor JH in principal and/or interest for his investments.
35. On or about November 23, 2011, Investor JH wired \$13,010 to the WIHBN bank account ending in 5669 in exchange for a promissory note dated November 30, 2011 which promised to pay “The full amount of the principal \$13,010.00 and interest at the rate of 24% which comes to \$3,122.40 due shall be made payable by August 16, 2013. A single payment will be made in the amount of \$16,132.40.”
36. On or about June 19, 2012, Investor JH wired \$30,000 to Land Closing Services, Inc. to fund WIHBN’s acquisition of real estate located at 3045 N. 14th Street in Milwaukee. In exchange for his investment, Investor JH received a promissory note dated June 20, 2012 which promised to pay \$30,000 at 20% interest per annum, with monthly interest only payments of \$500 until August 5, 2015. The June 20, 2012 promissory note was secured by a mortgage on the 14th Street property which was recorded with Milwaukee County on July 20, 2012.
37. On or about June 27, 2012, Investor JH agreed to invest an additional \$30,000 in WIHBN. Investor JH wired \$30,000 to Summit Lender Direct ESC as escrow agent. In exchange for his investment, Investor JH received a promissory note dated June 26, 2012 which promised to pay \$30,000 at 20% interest per annum, with monthly interest only payments of \$500 until August 5, 2015. The June 26, 2012 promissory note was secured by a mortgage on property located at 1343 W. Cottage Place which was recorded with Milwaukee County on July 10, 2012.
38. On June 28, 2012, Summit directed \$29,650 of Investor JH’s \$30,000 investment to the WIHBN bank account ending in 5669. On the same day, \$168,532.37 from investor PJI was deposited into the same account. WIHBN through Arrington and Nemeth proceeded to spend PJI’s and Investor JH’s investment funds for draws and Ponzi-like payments to other investors as set forth in paragraphs 51-52. These payments could not have been made without the cash infusion from investors PJI and Investor JH.

39. On or about August 7, 2012, Investor JH wired \$20,000 to the WIHBN account -5699. In exchange for his \$20,000 unsecured investment, Investor JH received a WIHBN promissory note dated July 30, 2012 which promised to repay “The full amount of the principal \$20,000 and interest at the rate of 36% which comes to \$7,200 due shall be made payable by August 5, 2015. A single payment will be made in the amount of \$27,200.”
40. On the day Investor JH’s \$20,000 was deposited into account -5699 there was a balance of \$1,427.62. Investor JH’s investment funds were commingled with investment funds of JK and MA and used, without Investor JH’s knowledge and consent, to make Ponzi-like payments of interest and principal to other investors and draws by Nemeth and Arrington as set forth in paragraph 67.
41. On or about November 27, 2012, JH made an unsecured investment in WIHBN in the amount of \$75,000 via wire transfer for the purpose of acquiring and improving real estate. In exchange for his investment, JH received a promissory note dated November 27, 2012 which promised to pay “The full amount of the principal \$75,000.00 and interest at the rate of 4% per year, which comes to \$3,000 per year non-compounding, shall be made payable by November 27, 2017. A single balloon payment will be made in the amount of \$90,000 minus \$3,000 per year for early payback.”
42. On November 29, 2012, JH’s \$75,000 investment was deposited into account -5669. At that time, the balance in the account was \$15,183.48.
43. Over the next seven days, WIHBN through Nemeth and Arrington used JH’s investment funds to make at least \$42,998 in interest and/or principal payments to other investors **including JH:**
- a. 11/29/12 Investor CC--\$674.83
 - b. 11/29/12 Investor JES -- \$2,542
 - c. 11/30/12 Investor JK --\$378.75
 - d. 12/03/12 Investor TO--\$33,661.80
 - e. 12/04/12 Investor KSM -- \$750
 - f. 12/04/12 Investor PJI --\$3,647.08
 - g. 12/04/12 **Investor JH**--\$500
 - h. 12/05/12 Investor JES \$843.75
44. None of the above payments to other investors could have been made without the infusion of funds from JH’s \$75,000 investment into account -5699.

INVESTOR 2 - PJI

45. Investor PJI of Madison, Wisconsin learned about WIHBN from another investor in 2012. He spoke and met with Nemeth and Arrington numerous times about investing in WIHBN, usually meeting them at a restaurant in Madison. From 2012 to 2103, PJI invested a total of at least \$490,050 in five separate transactions.
46. Arrington and Nemeth proposed to PJI that he invest in WIHBN for the specific purpose of acquiring and rehabbing two multi-unit buildings located on Atkinson Avenue in Milwaukee. They indicated he would receive a promissory note secured by a mortgage on the properties, and monthly interest payments that would be paid from the rent rolls of the buildings. Arrington and Nemeth presented PJI with information about the purchase price, the rehab costs, the after-market value, and the anticipated renters.
47. Based on the representations of Arrington and Nemeth, on June 28, 2012 PJI wired \$297,400 from his Equity Trust IRA account to Summit LDS for the purpose of WIHBN purchasing two parcels located on Atkinson Avenue in Milwaukee.
48. In exchange for his investment of \$297,400, PJI received a five-year promissory note dated June 28, 2012 that promised to repay principal in the amount of \$362,400 on or before September 1, 2017 at a “Special” rate of interest per annum. In addition, under the note PJI was to receive \$3,187.83 of interest only monthly payments commencing on September 1, 2012 through maturity of the note. The note stated it was secured by a mortgage on the two Atkinson properties.
49. Arrington on behalf of WIHBN executed a mortgage on the Atkinson properties in favor of PJI in the amount of \$362,400, which was recorded in Milwaukee County on July 10, 2012.
50. Bank records and title company records demonstrate that approximately \$128,867 of PJI’s \$297,400 investment was used to acquire the Atkinson properties. The remainder of the \$297,400 investment, approximately \$168,532, was deposited into account -5699 on June 28, 2012.¹ The balance in the account just prior to the deposit was \$8,178.50.
51. On the same day, June 28, 2012, without PJI’s consent or knowledge, Arrington and Nemeth paid themselves each \$25,000. They could not have paid themselves a total of \$50,000 without PJI’s investment which had been specifically earmarked only for acquisition and rehabilitation of the Atkinson properties.
52. They also used PJI’s funds, without his knowledge or consent, to pay down pre-existing debt to Deadwyler Consulting Group, LLC in the amount of \$51,762.66, and to make Ponzi-like interest payments to other investors and mortgage payments unrelated to PJI’s investment as follows:
 - a. 6/28/12 Investor CC -- \$674.83

¹ On the same day, \$29,650 from investor JH was deposited in the WIHBN account ending in 5699.

- b. 6/28/12 Investor JES -- \$2,325
 - c. 7/03/12 Investor TJ \$585.76
 - d. 7/03/12 Investor KSM \$1500
53. In June of 2012, PJI and WIHBN structured a new real estate investment whereby PJI paid \$37,650 to acquire a property located at 1957-59 W. Finn Place in Milwaukee and then immediately sold it to WIHBN for \$45,150 under a land contract. Pursuant to the land contract, WIHBN was to pay PJI \$459.75 per month starting August 1, 2012 with a maturity date of June 12, 2015.
54. In August of 2013, PJI agreed to invest \$45,000 in WIHBN in exchange for an unsecured promissory note dated August 9, 2013 which promised to pay PJI the amount of \$45,332.88 due on August 29, 2013.
55. On or about September 2013, Arrington and Nemeth solicited from PJI an additional investment of \$100,000 for the purpose of rehabbing a multi-unit property located on Hampton Avenue in Milwaukee. They represented to PJI his investment would be secured by a mortgage which would be recorded and interest payments to him would be made from rent rolls.
56. Based on the representations of Arrington and Nemeth, on September 3, 2013 PJI wired \$100,000 to account -5699.
57. In exchange for his investment of \$100,000, PJI received a three-year promissory note dated September 3, 2013, that promised to repay principal in the amount of \$189,140.04 on or before September 3, 2016. In addition, under the note PJI was to receive \$1,903.58 of interest only monthly payments commencing on December 5, 2013 through maturity of the note. The note stated it was secured by a mortgage on property located on Hampton Avenue in Milwaukee.
58. On September 3, 2013, Arrington on behalf of WIHBN executed a mortgage on the Hampton Avenue property in favor of PJI in the amount of \$189,140.04. However, neither Nemeth nor Arrington had the mortgage recorded in Milwaukee County as promised and did not disclose to PJI that they failed to record his mortgage.
59. PJI's investment of \$100,000 was wired to account -5699 on September 3, 2013, when the balance in the account was approximately \$3,800. PJI's funds were comingled with other funds and used to pay expenses for real estate projects unrelated to the Hampton Avenue property, for payroll and past debt, and to make Ponzi-like principal and/or interest payments to the following investors *including PJI*:
- a. 9/04/13 Investor KSM-- \$1,500
 - b. 9/16/13 **Investor PJI** -- \$3,647.58
 - c. 9/16/13 Investor JH -- \$500

- d. 9/27/13 Investor NL -- \$180
 - e. 9/27/13 Investor TO -- \$437.63
 - f. 9/30/13 Investor JES -- \$1,164.88
 - g. 9/30/13 Investor CC -- \$674.83
60. Without the infusion of investment funds from PJI into account -5699 on September 3, 2013, the interest payments to other investors, and payments for payroll and past debt, and for real estate projects unrelated to the Hampton Avenue property could not have been made.
61. By October 28, 2013, the balance in account -5699 had dwindled to \$3,401.82.
62. On or about October 28, 2013, WIHBN solicited from PJI an additional investment in the amount of \$10,000. In exchange for \$10,000, PJI received a three-year promissory note which provided for \$1,500 in interest and a balloon payment of \$11,500 due on September 3, 2016.
63. On October 29, 2013, PJI's \$10,000 investment was commingled with other funds in account -5699 and used, without PJI's knowledge or consent, to pay \$4,150 to Arrington and Nemeth and to make interest and/or principal payments to other investors as follows:
- a. 10/30/13 Investor NL \$180
 - b. 10/30/13 Investor TO \$437.63
 - c. 10/31/13 Investor JES \$320.63
 - d. 10/31/13 Investor JK \$378.75
 - e. 10/31/13 Investor CC \$674.83
64. In return for his total investment of \$490,050 in WIHBN, PJI received approximately \$132,919 in interest payments and \$183,158 from property sales, for a total return of approximately \$316,077. This leaves \$173,973 still owed to PJI as a return for his principal investment.

INVESTOR 3 - MA

65. On or about August 22, 2012, MA of Madison, Wisconsin provided \$56,500 via wire transfer to account -5699 in exchange for an unsecured promissory note which promised repayment of the principal with a flat rate of interest in the amount of \$51,725. WIHBN promised to make the entire payment of principal and interest in the amount of \$108,225 on September 1, 2017.
66. Through conversations with Arrington and Nemeth, MA understood her investment would be used to acquire, rehab and resell real estate properties and not to make interest and principal payments to other investors or as income for Arrington and Nemeth.
67. On August 27, 2012, MA's investment of \$56,500 was commingled in account -5699 with investment funds from Investor JH [\$20,000] and Investor JK [\$29,650] and other

deposits. Those investors' funds were then used to make Ponzi-like principal and/or interest payments to the following investors and for withdrawals by Arrington and Nemeth in the total amount of approximately \$49,933:

- a. 8/27/12 Investor PJI -- \$3,647.58
 - b. 8/27/12 Investor JH -- \$500
 - c. 8/29/12 Investor TO -- \$437.63
 - d. 8/30/12 Investor CC -- 674.83
 - e. 8/30/12 Investor JES -- \$2,325
 - f. 9/4/12 Investor TJ -- \$585.76
 - g. 9/5/12 Investor KSM -- \$1,500
 - h. 9/7/12 Disbursement \$5,325 Arrington
 - i. 9/10/12 Disbursement \$5,325 Nemeth
 - j. 9/13/12 withdrawal \$1,000 Arrington
 - k. 9/19/12 withdrawal \$3,000 Arrington
 - l. 9/19/12 Investor You Too REIC -- \$689
 - m. 9/26/12 withdrawal \$4,000 Arrington
 - n. 9/27/12 Investor TO -- \$437.63
 - o. 9/27/12 Disbursement \$5,325 Nemeth
 - p. 9/27/12 Disbursement \$5,325 Arrington
 - q. 9/27/12 Investor PJI -- \$3,647.58
 - r. 9/27/12 check to Investor JH -- \$500
 - s. 9/28/12 Investor CC -- \$674.83
 - t. 9/28/12 Investor JES -- \$2,548.88
 - u. 10/2/12 Investor JK -- \$378.75
 - v. 10/2/12 Investor KSM -- \$1,500
 - w. 10/4/12 Investor TJ -- \$585.76
68. By October 4, 2012, the balance in account -5699 was approximately \$490. Without the infusion of investment funds from MA, JH and JK into that account, the payments to investors and withdrawals by Arrington and Nemeth listed in paragraph 67 could not have been made.
69. To date, MA has not received any return of principal or interest on her investment.

INVESTOR 4 - JK

70. Nemeth and JK of Columbus, Wisconsin were acquainted with each other through the American Legion. In 2012, Nemeth and Arrington went to JK's home to meet with him and JK's wife, MK, to discuss real estate investments with WIHBN. Nemeth and Arrington informed JK and MK their investment funds would be used to invest in real estate properties.

71. On or about August 6, 2012, JK and MK wired \$30,000 to “Summit Lender Services Direct Escrow”, listing the Originator to Beneficiary as “Wisconsin Home Buyer’s Network, LLC.” In return for their \$30,000 investment, JK and MK received a promissory note dated August 8, 2012 in the amount of \$31,800 with interest at 14% per annum. JK and MK were to receive \$378.75 in interest-only monthly payments for three years, with all principal and interest payments becoming due on August 3, 2015.
72. JK and MK’s promissory note was secured by a mortgage on property owned by WIHBN located on Burleigh Street in Milwaukee, WI. The mortgage was recorded with the Milwaukee Registrar of Deeds on August 15, 2012.
73. The amount of \$29,650 of JK and MK’s \$30,000 was deposited into account -5669 on August 8, 2012.
74. In August 2015, JK, MK and WIHBN verbally agreed to extend the note for one year.
75. On August 8, 2016, the parties agreed to extend the debt for another year, executing a promissory note that promised to pay \$378.75 in interest-only payments per month for one year, with all principal and interest payments becoming due on August 5, 2017.
76. At the time JK and MK agreed to extend the note in 2015 and 2016, they did not know some of the monthly interest payments they received had been sourced from investment funds of other investors and not from revenues of WIHBN. See paragraphs 43, 63, and 67.
77. JK and MK did not consent for Nemeth and Arrington to use their funds for draws or to pay off debts owed to other investors. See paragraph 67.
78. JK and MK received \$3,030.00 in interest only payments and did not receive any of their principal back.

INVESTOR 5 - NL

79. Investor NL from Waterloo, Wisconsin was first introduced to WIHBN through another investor, JK. In 2012, Nemeth and Arrington met with NL at a coffee shop in Madison. They discussed investment options with WIHBN, promissory notes, and payment terms.

80. Nemeth and Arrington told NL that his investment funds would be expended on real estate owned by WIHBN and that he had nothing to worry about. They told him that his investment was safe, as it was tied to WIHBN and its many LLCs and properties.
81. On October 4, 2012, NL wrote a check to WIHBN in the amount of \$18,000, which was deposited into account -5699 on October 10, 2012.
82. In exchange for his investment, NL received a WIHBN promissory note dated October 9, 2012, which stated “The terms will be the principal of \$18,000, the equity differential of \$3,000.00 and an interest only payment of \$180.00 per month. The full note balance of \$21,000 shall be made payable by October 9, 2015. The payments will commence on the 1st of November and on the first of every month thereafter until payoff.”
83. On October 16, 2015, Arrington informed NL via email that WIHBN did not have sufficient liquid funds to pay off the matured promissory note. The email explained “I am very sorry this note has not yet been closed out. With our real estate investments, once we receive money from investors we purchase and invest in properties. This enables us to make solid return to ensure we not only pay our investors a great rate but also get one ourselves. The drawback to this is the funds are not liquid for a period of time.”
84. In the October 16, 2015 email, Arrington did not disclose to NL that some of NL’s interest payments on his promissory note had been sourced from investment funds of other investors and not from revenues of WIHBN. See paragraphs 59, 63.
85. Contrary to the statement in the October 16, 2015 email, none of NL’s funds were used to acquire real estate. Instead, NL’s funds were commingled with other funds in account -5699 and used to pay outstanding bills, payroll, and interest payments to other investors including CC, JES, NL, You Too REIC, and to Deadwyler Consulting Group, LLC.
86. On October 20, 2017, NL filed a civil lawsuit against WIHBN and received default judgment in the amount of \$24,148.

INVESTOR 6 - JES

87. Investor JES of Cross Plains, Wisconsin made numerous investments with Nemeth and Arrington for the purpose of making a profit. Between 2012 and 2016, JES dba Woodpond Properties LLC invested a total of \$175,000 through three separate transactions to fund WIHBN’s acquisition and renovation of real estate. In 2017, JES dba Woodpond Properties LLC invested a total of \$160,000 through two separate transactions to fund WIHBN Contractor Services’ hurricane relief project in Florida.

88. On or about November 7, 2012, JES dba Woodpond Properties LLC sent two checks totaling \$75,000 to Summit LDS to fund WIHBN's acquisition and renovation of real estate located at 4365 N. 27th Street in Milwaukee.
89. In exchange for his investment, JES dba Woodpond Properties LLC received a promissory note dated November 7, 2012 which promised to pay "the principal sum of ... \$81,000.00 at the rate of 13.5% simple interest per year on the base loan amount of \$75,000." Monthly interest payments of \$843.75 were to be paid on the first of each month until the maturity date of December 7, 2015. The promissory note purported to be secured by a mortgage on the 27th Street property. However, the mortgage document was never filed with Milwaukee County.
90. On November 7, 2012, Summit transferred \$29,915.53 of JES's \$75,000 investment to account -5699. Within three days, and without JES's knowledge or consent, WIHBN used JES's investment funds to pay off over \$20,000 of pre-existing debt and promissory note payments unrelated to the 27th Street property, including a \$320.63 recurring payment obligation to JES for a transaction involving real estate located at 2448 N. 12th Street in Milwaukee.
91. On or about April 1, 2013, JES dba Woodpond Properties LLC wrote a check to WIHBN in the amount of \$40,000 for an investment. On that day, the beginning balance in account -5699 was -\$3.32. Before JES's investment, neither Nemeth nor Arrington told JES they were unable to pay debt obligations and invoices as they came due or that the WIHBN bank account was overdrawn.
92. In fact, in an email dated March 20, 2013 from Arrington to Nemeth, subject line "Brutal Immediate Financial picture" Arrington wrote: "If we do not get the PPM up and running I think we are f**d in May for sure and for now I am not sure we can limp through April. Because if we do April like March, we will not be able to make payroll or satisfy these debts as we are tapped out of all corporate credit lines and I am tapped out of all personal credit capacity and personal savings... perhaps we can get [JES] to lend on 27th \$40,000."
93. In exchange for the \$40,000 investment, JES dba Woodpond Properties LLC received a promissory note dated April 1, 2013 which promised to pay "The full amount of the principal \$40,000 and interest of \$6,000 due shall be made payable by April 30, 2014. A single payment will be made in the amount of \$46,000.00".
94. On April 2, 2013, JES's \$40,000 investment was deposited into account -5699 where it was commingled with other deposits. The commingled funds were used to pay pre-existing debts, credit cards, cash withdrawals and interest payments to other investors **including JES** as follows:

- a. 4/02/13 Investor JK -- \$378.75
 - b. 4/04/13 Investor TJ -- \$585.76
 - c. 4/04/13 withdrawal \$7,000 (Nemeth)
 - d. 4/08/13 Investor KSM -- \$1,500
 - e. 4/17/13 Investor You Too REIC -- \$689
 - f. 4/29/13 Investor NL -- \$180
 - g. 4/29/13 Investor TO -- \$437.63
 - h. 4/30/13 **Investor JES** -- \$1,164.38
95. On or about September 9, 2016, JES dba Woodpond Properties LLC wrote a check to WIHBN in the amount of \$60,000 for an investment. On that day, the balance in account -5699 was \$1,829.77. In exchange for his investment, JES dba Woodpond Properties LLC received a promissory note dated September 9, 2016 which promised to pay “The full amount of the principal \$60,000 and interest of \$3,600 due shall be made payable by April 4, 2017. A single payment will be made in the amount of \$63,600.00.”
96. On September 9, 2016, JES’s \$60,000 investment was deposited into account -5699 where it was commingled with other deposits. Among other things, the commingled funds were used to make mortgage and note payments to other investors **including JES** as follows:
- a. 9/13/16 Investor DRL -- \$1,900
 - b. 9/13/16 direct pay -- \$3,000
 - c. 9/14/16 Investor JMG -- \$700
 - d. 9/14/16 Investor (unknown) -- \$950
 - e. 9/16/16 Investor DRL \$600
 - f. 9/22/13 Investor TO \$437.63 (Todd Olson)
 - g. 9/29/13 **Investor JES** \$320.63
 - h. 9/29/13 Investor (unknown) -- \$315
97. In 2017, Nemeth and Arrington solicited investments from JES for the purpose of funding a hurricane relief project in Southern Florida. On or about September 21, 2017, JES dba Woodpond Properties LLC provided \$100,000 to WIHBN Contractor Services, LLC to fund the hurricane relief project. In exchange for his investment, JES dba Woodpond Properties LLC received a Letter of Intent for Line of Credit Florida—Mold Remediation & Remodeling dated September 21, 2017 (the “9/21/17 LOC letter”).
98. Among other things, the 9/21/17 LOC letter stated “This letter outlines the intentions of Joe Nemeth and Jeremy Arrington to enter into a business relationship with LOC Investor for the purposes of establishing required funding for the Joint Venture Project in Florida to provide customers with Licensed Contractor Mold Remediation and Licensed Contractor related services during this Florida Hurricane Relief effort.” The 9/21/17 LOC letter also stated:

- “Proposed Financing. The value of the investment is One Hundred Thousand Dollars (\$100,000). These monies will be used exclusively to create and establish our capabilities for handling up to 10-12 contracts per week, within the targeted market (specifically, Bonita Springs). It will cover the initial cost of importing labor, materials, tools, housing, travel, per diem, etc...”
 - “Terms of Financing. The value of the investment will be secured by WIHBN Contractor Services, LLC, and collateralized against our contracts, insurance claims, general contracting projects, and holdings and the valuation of the Wisconsin based LLC. Payments will consist of interest only at a rate of interest of Twenty Five percent (25.0%) paid out through the claims and contractual receivables from this project. Payment will be due One Hundred Twenty (120) days after funding.”
 - “Secondary Payoffs. As a secondary benefit for the investment in this project, WIHBN Contractor Services, LLC agrees to use part of the net profits to be used to pay down/pay off outstanding notes ... including but not limited to the \$12,500 and the \$72,000 notes owed to Woodpond Properties.”
99. On or about November 29, 2017, JES dba Woodpond Properties LLC agreed to invest an additional \$60,000 in WIHBN Contractor Services LLC for the hurricane relief project. In exchange, JES dba Woodpond Properties LLC received a Letter of Intent for Line of Credit Florida—Hurricane Repairs to Roofing & Remodeling dated November 29, 2017 (the “11/29/17 LOC letter”). The 11/29/17 LOC letter stated repayment of the first investment of \$100,000 at 25% interest would be due before April 1, 2018, and the second investment of \$60,000 at 25% interest would be due before July 1, 2018. Nemeth and Arrington also provided their personal guarantees for the entire borrowed amount.
100. JES did not receive any interest or principal payments for the hurricane relief investments. Although Nemeth and Arrington represented that the \$160,000 investment would be used exclusively for funding the hurricane relief project, bank records establish JES’s investment monies were used to pay down credit cards, cash draws for Nemeth and Arrington, payroll for WIHBN, and real estate projects unrelated to the hurricane relief project in Florida. In addition, JES funds transferred to the X-Speck account were used to pay an IRS tax payment in the amount of \$7,871.06 and payroll tax in the amount of \$1,461.65.

INVESTOR 7 - CC

101. On or about February 22, 2013, Investor CC of Madison, Wisconsin provided \$35,000 via check to WIHBN in exchange for an unsecured promissory note dated February 18, 2013. The promissory note promised to pay \$3,500.00 in interest, with principal and interest due in a lump sum amount of \$38,500 on May 22, 2013.

102. Through conversations with Arrington and Nemeth, CC understood his investment would be used to acquire, rehab and resell real estate properties.
103. At the time CC's \$35,000 investment was deposited into account -5699, the balance was \$1,412.14.
104. WIHBN through principals Nemeth and Arrington used CC's investment funds to make interest and/or principal payments due and owing to other investors for prior investments **including CC:**
- a. 2/26/13 Investor PJI -- \$7,295.16;
 - b. 2/26/13 Investor JH -- \$1,000;
 - c. 2/28/13 Investor JES -- \$320.63
 - d. 2/28/13 Investor JK -- \$378.75
 - e. 2/28/13 **Investor CC** -- \$674.83²
 - f. 2/28/13 Investor JES -- \$3,385.63
105. At the time of his February 22, 2013 investment, Arrington and Nemeth failed to inform CC that that they had failed to make timely payments of principal and interest to other investors. They also failed to inform CC that interest payments he received from a prior investment in WIHBN had been sourced from investment funds of other investors rather than revenue of WIHBN. See paragraphs 43, 52, 59, 63, 67.
106. On May 31, 2017, CC filed a strict foreclosure action against WIHBN in Milwaukee County Circuit Court, Case No. 2017CV4362.
107. The principal of the \$35,000 promissory note remains outstanding.

INVESTOR 8 - JMG

108. Investor JMG of Waunakee, Wisconsin became acquainted with Arrington in November of 2014. During that time, Arrington visited JMG at his home and gave him a presentation about investment opportunities with WIHBN.
109. Arrington told JMG that WIHBN was seeking an investment of \$70,000 to acquire and rehab real estate properties. Arrington further told JMG his investment would be secured through WIHBN's assets including real estate, personal property and depository accounts. JMG would be paid interest at 12% over 12 months. JMG was told once the property was refinanced or resold, he would receive back his principal.
110. Based on Arrington's representations, on or about December 15, 2014, JMG as Gmeinder Properties 401K PSP, delivered a check in the amount of \$70,000 to WIHBN

² This represents an interest only payment from WIHBN to Investor CC for a land contract investment executed on or about March 2012.

which was deposited into the WIHBN business account ending in 5699 on December 16, 2014. The balance in the account at the time of the deposit was \$987.18.

111. In exchange for the \$70,000, JMG received a WIHBN promissory note dated December 16, 2014, which promised 12% interest paid monthly in the amount of \$700 beginning on January 5, 2015 and ending December 16, 2015 with return of principal.
112. In December 2015, WIHBN and JMG agreed to renew the December 16, 2014 promissory note for one year. At the time JMG agreed to the renewal, he did not know WIHBN through Arrington and Nemeth had made at least one interest payment using investment funds from other investors. See paragraph 96.
113. In 2016, JMG met with both Arrington and Nemeth to discuss the status of his promissory note. Arrington and Nemeth persuaded JMG to make an additional \$95,000 investment in WIHBN for the specific purpose of acquiring a multi-family unit located in Milwaukee. They represented to JMG the acquisition would generate sufficient profits to pay off all of the debt owed to JMG. Nemeth further told JMG his investment would be secured because it would be tied to all of the assets of WIHBN rather than just one specific property.
114. Based on the representations of Arrington and Nemeth, on or about July 18, 2016, JMG wired \$95,000 to the WIHBN account ending in 5699. At the time the funds were deposited in the account, there was a negative balance in the amount of -\$229.63.
115. In exchange for his investment, JMG as Gmeinder Properties 401K PSP received a promissory note dated July 15, 2016 which promised 12% interest paid monthly in the amount of \$950 beginning on August 15, 2016 and ending January 15, 2017 with return of principal in the amount of \$100,000. The promissory note further stated "This Note is collateralized by all assets of the Debtor; to include all Real Property, Personal Property and Liquidable Assets."
116. None of JMG's investment funds was used to acquire a multi-family unit in Milwaukee. The first purchase authorized after the deposit of JMG's \$95,000 was for an X-Box. After that, Arrington and Nemeth used JMG's funds to make payments to other investors and to JMG, to pay WIHBN contractor services, WIHBN Realty, Deadwyler Consulting LLC, and Citadel Investments, LLC.
117. At the time of JMG's second investment on July 18, 2016, Arrington and Nemeth failed to disclose their WIHBN bank account was overdrawn and their business and personal assets were leveraged. They further failed to inform JMG that WIHBN had failed to make timely payments of principal and interest to other investors and had been using new investor funds to make interest payments to prior investors **including to JMG.**

118. JMG received periodic interest payments in the amount of \$7,000 on the 2014 promissory note and no interest payments on the 2016 promissory note. All principal amounts on both notes remain unpaid.

INVESTOR 9 - TJ

119. Investor TJ of Madison, Wisconsin became acquainted with Arrington through a real estate investment group in which they both belonged. On or about November of 2015, TJ agreed to invest \$10,000 of her Roth IRA funds in WIHBN to be used for WIHBN business operations. TJ expected to make higher rates of interest than she would make in the stock market, and invested in WIHBN because she trusted Arrington.

120. Before investing in WIHBN, TJ viewed the WIHBN website and a video of WIHBN.

121. The custodian of TJ's Roth IRA account, Equity Trust Co., issued a check dated November 5, 2015 in the amount of \$10,000 to WIHBN, which was deposited into bank account -5699 on November 13, 2015. At the time of the deposit, the balance of the account was \$3,301.

122. In exchange for her \$10,000, TJ received a promissory note dated November 1, 2015 which stated: "The terms will be for a 3-year term at a rate of 7% simple interest of the principal amount of \$10,000. Interest will be paid out at each annual anniversary, 11/01/2016, 11/01/2017 and then final balloon payment due on November 1, 2018. Final balloon payment will be in the amount of \$10,700."

123. Neither Arrington nor Nemeth informed TJ that they were unable to pay promissory notes that had become due and that they were using new investor monies to pay interest and principal to prior investors.

124. Investor TJ received two interest payments of \$700 each but was not paid the final balloon payment in the amount of \$10,700 that was due on November 1, 2018.

INVESTOR 10 - SS

125. Investor SS of Fall River, Wisconsin was a Freemason out of Columbus, Wisconsin and knew Nemeth as one of his "brothers." SS had also worked with Arrington and WIHBN Realty where he showed houses to prospective buyers.

126. On or about May of 2015, SS agreed to invest \$50,000 in WIHBN for the purpose of renovating real estate. SS understood that WIHBN had multiple real estate projects at the time and WIHBN needed funds to complete one or more rehab projects, specifically for

materials and labor. SS expected to be paid back his principal with interest when the properties were sold.

127. SS did not consent for his investment to be used for any other purpose, such as owner draws or paying debts owed to other investors.
128. In exchange for his investment of \$50,000, SS d/b/a SS Homes, LLC received a WIHBN promissory note dated May 5, 2015, which stated: "The full amount of the principal of \$50,000 and interest of \$2,400 per month for three months which comes to \$7,200 due shall be made payable by August 5, 2015. A single payment will be made in the amount of \$57,200."
129. On June 3, 2015, at the time SS's investment of \$50,000 was wire transferred into WIHBN account -5699, there was \$339 in the account.
130. On June 3, 2015, \$20,000 was transferred out from account -5699 and into WIHBN Contractor Services Account.
131. On June 3 and 4 of 2015, SS's investment funds were also used to pay WIHBN's promissory note obligations to other investors and to pay themselves:
 - a. Investor JK -- \$378.75
 - b. Investor MG -- \$2,000
 - c. Investor CC -- \$674.83
 - d. Investor JMG -- \$700
 - e. Investor [Unknown] -- \$1,300
 - f. Investor PJI -- \$1,903.58
 - g. Waterstone Bank (mortgage) -- \$2,800
 - h. Draw to Arrington and Nemeth \$4,800
132. Without the infusion of investment funds from SS into account -5699, the interest payments to investors and draws to Arrington and Nemeth could not have been made.
133. On August 31, 2015, WIHBN paid Investor SS d/b/a SS Homes, LLC the amount of \$57,200 in satisfaction of the WIHBN promissory note dated May 5, 2015.
134. Unbeknownst to Investor SS, the source of funds used to pay him the \$57,200 was not revenue generated from property flipping, but a check from Wisconsin Mutual Insurance Company in the amount of \$117,307.27, which was paid to WIHBN for an insurance claim relating to a property fire, as detailed in a September 10, 2015 email from Arrington to Nemeth. According to Arrington's email, the insurance funds were also used to pay payroll taxes, a draw to Arrington and Nemeth, and payments of promissory notes to investors MG, JH, and PJI.

135. Believing his first investment had been expended on renovations and repaid with revenues as represented by WIHBN, Investor SS agreed to invest \$53,000 on or about September 21, 2015. In return for the \$53,000, SS d/b/a SS Homes, LLC received a WIHBN promissory note dated September 21, 2015 which stated: “The terms of this note will be that the principal amount of **\$53,000.00** will be paid in full at the end of the six month term. Each month’s interest will be set at \$1,000.00 and paid as a balloon payment at maturity on March 20, 2016, the principle amount of **\$59,000.00** will be paid in full.”
136. In fact, the dire financial picture facing WIHBN was set forth in an email dated September 23, 2015 from Arrington to Nemeth which referenced SS’s incoming wire of \$53,000, WIHBN’s current checking funds of only \$2,550, and, among other things, the following overdue bills: 2014 Taxes Due \$63,709.35; 2014 and 2015 Water Bills \$28,000; and past due payments to Investor PJI in the amount of \$22,345.
137. On September 24, 2015, SS’s investment funds were deposited and commingled with other funds in account -5699 and, without SS’s knowledge or permission, were used to pay WIHBN’s promissory note obligations to other investors as follows:
- a. 9/25/16 Investor TO -- \$437.63
 - b. 9/30/16 Investor MG -- \$2,000
 - c. 10/2/16 Investor JK -- \$378.75
 - d. 10/2/16 Investor CC -- \$674.83
 - e. 10/2/16 Investor JMG -- \$700
 - f. 10/2/16 Investor PJI -- \$1,903.58
 - g. 10/2/16 Investor KSM -- \$1,125
138. WIHBN did not pay any principal and interest to SS d/b/a SS Homes, LLC in satisfaction of the September 21, 2015 promissory note.

INVESTOR 11 - JAM

139. In 2016, investor JAM of Denver, Colorado was approached by Arrington and Nemeth to invest in a property located on Bryn Mawr Court in Menomonee Falls. They told JAM it would be a short term loan that would allow WIHBN to finish repairs and then immediately flip the property for a profit. They represented to JAM that WIHBN had bought the Bryn Mawr property at the right price and they were going to easily make a hundred thousand dollars on it.
140. Arrington and Nemeth told JAM in exchange for \$50,000, JAM would receive a promissory note and mortgage on the Bryn Mawr property which would be recorded to secure his interest in the property.

141. Based on the representations of Arrington and Nemeth, on or about December 8, 2016 JAM as City Renewal Group, LLC delivered \$50,000 to WIHBN which was sourced from JAM's self-directed IRA account.
142. In exchange for his investment, JAM as City Renewal Group, LLC received a promissory note dated December 9, 2016 which stated "The terms, will be the principal \$50,000.00 and set interest rate of 12% for the term of six months for a total of \$6,000 in interest. The principal and interest will be paid in full at maturity, May 9, 2017. This Note is secured by a Mortgage on the property located at W182N8441 Bryn Mawr Court, Menomonee Falls, WI."
143. JAM as City Renewal Group, LLC also received a mortgage, which Arrington as the agent of WIHBN promised to have properly recorded to secure JAM's interest in the Bryn Mawr property.
144. Arrington failed to record the mortgage in Waukesha County as promised and also failed to inform JAM the mortgage was not recorded. Arrington and Nemeth also failed to inform JAM that another investor, DRL, already had a \$140,000 mortgage on the same property, executed on May 13, 2016, which also had not been recorded.
145. On or about June 2, 2017, having failed to pay JAM any of the \$56,000 of principal and interest due on the maturity date of May 9, 2017, WIHBN through Arrington and Nemeth unilaterally renewed JAM's promissory note for an additional three months at a rate of 12% or \$1,000 per month through the new maturity date of August 9, 2017. JAM as City Renewal Group, LLC did not consent to the renewal of the WIHBN promissory note.
146. Like the original promissory note, the renewal promissory note indicated the note was secured by a mortgage on the Bryn Mawr property. Again, Arrington and Nemeth failed to record the mortgage and failed to inform JAM the mortgage was not recorded.
147. On or about September 25, 2017, WIHBN sold the Bryn Mawr property without paying off JAM's promissory notes. Arrington and Nemeth failed to disclose the existence of JAM's mortgage to the title company at the time the Bryn Mawr property was sold. In fact, in an email dated September 14, 2017 to the title company, Arrington wrote "No mortgages on this one."
148. The funds WIHBN received from the sale of the Bryn Mawr property were diverted to Investor KSM.

INVESTOR 12 - DRL

149. Investor DRL of Verona, Wisconsin was introduced to the business of WIHBN by Arrington and Nemeth during a meeting at a restaurant on the east side of Madison.

Arrington and Nemeth told DRL they were planning to gut and repair an apartment building on Hampton Avenue in Milwaukee. They planned to collect rents from the units and pay DRL interest payments from the rent roll.

150. Arrington and Nemeth described the investment as low risk as they had their own contractors, electricians, and plumbers under the WIHBN umbrella, so they could complete repairs more cheaply and efficiently. The investment was also low risk because DRL would have the Hampton property itself as collateral.
151. Based on the representations of Arrington and Nemeth, on January 7, 2016 DRL wired \$250,000 to WIHBN bank account ending in 5699 for the sole purpose of rehabbing the Hampton property. In exchange for his investment, DRL received a three-year promissory note dated January 6, 2016 which promised to pay the principal of \$250,000 at an interest rate of 12% with a maturity date of January 4, 2019. Pursuant to the note, DRL was to receive monthly interest payments in the amount of \$2,500.00 beginning February 10, 2016. DRL also received a mortgage from WIHBN on the Hampton property to secure the promissory note.
152. Arrington on behalf of WIHBN promised DRL the mortgage on the Hampton property would be recorded. It was not.
153. Although DRL received some monthly interest payments on the \$250,000 Note, the entire principal amount remains unpaid.
154. DRL continued to invest in WIHBN for the sole purpose of acquiring, repairing and reselling real estate properties, investing an additional \$335,00 in WIHBN:
 - a. On or about April 22, 2016, DRL wired \$60,000 to WIHBN account -5699, when the balance was \$2,856.56. In exchange for his investment, DRL received a six-month unsecured promissory note dated April 21, 2016, which promised to pay the principal of \$60,000 at an interest rate of 12% with a maturity date of October 21, 2016. Pursuant to the note, DRL was to receive monthly interest payments in the amount of \$600.00 beginning May 20, 2016.
 - b. According to an email from Arrington to DRL dated April 21, 2016, the \$60,000 was to be used for renovations on three properties located at 54th Blvd., 54th St. and Burleigh.
 - c. On the same day, April 22, 2016, Arrington and Nemeth paid themselves \$14,925 in draws and paid \$2,000 to pay down a credit card bill. None of these payments were disclosed to DRL and they could not have been made without his investment of \$60,000.
 - d. Although DRL received some monthly interest payments on the \$60,000 Note, the principal remains unpaid.
 - e. On May 9, 2016, DRL wired \$85,000 to WIHBN account -5699. The balance in the account was about \$4,089. In exchange for his investment, DRL received a

six-month promissory note dated May 6, 2016, which promised to pay the principal of \$85,000 at an interest rate of 12% with a maturity date of October 1, 2016. Pursuant to the note, DRL was to receive monthly interest payments in the amount of \$850.00 beginning June 10, 2016.

- f. By email to DRL dated March 23, 2016, Arrington described the \$85,000 investment as “\$40,000 to buy \$45,000 to rehab” property located at 3336 N. 45th Street in Milwaukee.
- g. DRL received a mortgage from WIHBN on the 45th St. property to secure the \$85,000 note. Arrington assured DRL in an email dated March 31, 2018 that the title company would record the mortgage. The mortgage was not recorded.
- h. Although DRL received some monthly interest payments on the \$85,000 Note and a partial principal payment on the Note, there still remains a \$68,553.83 outstanding principal balance.
- i. On May 12, 2016, DRL wired \$140,000 to account -5699. Arrington told DRL the funds were to be used to acquire the Bryn Mawr Court property in Menomonee Falls, Wisconsin. In exchange for his investment, DRL received a six-month promissory note dated May 13, 2016, which promised to pay the principal of \$140,000 at an interest rate of 12% with a maturity date of October 15, 2016. Pursuant to the note, DRL was to receive monthly interest payments in the amount of \$1,400.00 beginning June 15, 2016.
- j. DRL received a mortgage from WIHBN on the property located at Bryn Mawr Court in Menomonee Falls to secure the \$140,000 note. As with the Hampton Avenue and 45th Street mortgages, WIHBN through Arrington and Nemeth promised to have the Bryn Mawr mortgage recorded, but did not do so.
- k. On June 8, 2016, DRL wired \$50,000 to account -5699. Arrington told DRL the funds were to be used to complete repairs on the Bryn Mawr Court property in Menomonee Falls, Wisconsin. In exchange for his investment, DRL received a six month promissory note dated June 15, 2016, which promised to pay the principal of \$50,000 at an interest rate of 12% with a maturity date of November 15, 2016. Pursuant to the note, DRL was to receive monthly interest payments in the amount of \$500.00 beginning July 15, 2016.
- l. On June 8, 2016, the balance in account -5699 was \$5,152.24. After DRL’s investment of \$50,000, WIHBN proceeded to expend a portion of DRL’s funds on obligations unrelated to the Bryn Mawr Court property, such as interest payments to other investors, and transfers to WIHBN Realty and Deadwyler Consulting Group. By the next day, June 9, 2016, only \$168.98 remained in the account.
- m. On or about September 25, 2017, WIHBN sold the Bryn Mawr property without notice to DRL and without paying off DRL’s promissory notes. Arrington and Nemeth failed to disclose the existence of DRL’s mortgage to the title company at the time the Bryn Mawr property was sold. In fact, in an email dated September 14, 2017 to the title company, Arrington wrote “No mortgages on this one.”
- n. Ultimately, the funds WIHBN received from the sale of the Bryn Mawr property were diverted to another creditor of WIHBN. Although DRL received some

monthly interest payments on the \$140,000 Note and the \$50,000 Note, the entire principal amounts of both Notes remain unpaid.

INVESTOR 13 - SDS

155. Investor SDS d/b/a Swan REI, LLC of South Beloit, Illinois met with Arrington and Nemeth at a restaurant in Milwaukee in 2016 to discuss the business of WIHBN. Arrington and Nemeth told SDS they were interested in purchasing a property in Milwaukee and needed funds for the purchase. They told SDS that WIHBN would cover the costs of rehabbing the property.
156. Arrington and Nemeth proposed that SDS invest in their private placement fund which was in the process of being set up. SDS declined to invest in the fund because it did not come with a guarantee or collateral.
157. However, SDS d/b/a Swan REI, LLC agreed to invest \$55,000 for the purpose of purchasing the Milwaukee property in exchange for a promissory note and mortgage. The promissory note dated March 25, 2016, was signed by both Arrington and Nemeth and contained their signed personal guarantees. The note indicated it was secured by property located at 3815 N. 54th Blvd., Milwaukee, Wisconsin.
158. The terms of the promissory note required WIHBN to pay \$55,000 “together with interest ... at the rate of 12% per annum until this Note is paid in full... Payments of interest only of \$550 per month shall commence on May 1, 2016... The entire balance of principal and accrued interest shall be due on or before September 25, 2017.”
159. The promissory note was signed in Milwaukee, SDS wired the funds to Summit LDS in Milwaukee and the mortgage was recorded with the Milwaukee Register of Deeds by Summit.
160. WIHBN made no payments of interest or principal in satisfaction of the March 25, 2017 promissory note. SDS d/b/a Swan REI, LLC filed a foreclosure action on June 27, 2018 in Milwaukee County Circuit Court against WIHBN, Nemeth and Arrington, and judgment in his favor was entered on March 11, 2019.

INVESTOR 14 - BH

161. Investor BH of Greendale, Wisconsin was introduced to Nemeth and WIHBN through Michael McDermott. Nemeth and McDermott informed BH that WIHBN was a successful real estate flipping business with many companies affiliated with it, such as contractor, electrical and plumbing companies.

162. McDermott and Nemeth told BH that they had recently successfully flipped a property in Menomonee Falls and they had another opportunity to acquire real estate in Menomonee Falls, but their cash was tied up in home repairs.
163. McDermott and Nemeth told BH that WIHBN had one to two million dollars on the books, and they were waiting for insurance claims to pay off as the repair work had been completed in Florida on homes damaged by hurricanes. To BH, this would explain why WIHBN was experiencing short term liquidity problems.
164. Nemeth told BH that completing the investment was urgent because the prior lender who was going to invest had backed out because her money was tied up, and they needed to submit a bid for the Menomonee Falls property in the next day or two.
165. Based on everything he had been told by Nemeth and McDermott, BH decided to invest \$150,000 in WIHBN with the understanding his funds would be used to acquire real estate in Menomonee Falls and he would be paid back principal and interest when WIHBN flipped the property.
166. On or about December 15, 2017, Investor BH d/b/a GigaFlight Connectivity, LLC wired \$150,000 to account -5669 which had a balance of \$40.23. In exchange, BH received a WIHBN promissory note which promised to repay the principal of \$150,000 plus 7% interest by the maturity date of March 14, 2018.
167. At the time of BH's investment in December 2017, Arrington and Nemeth failed to disclose to BH information contained in WIHBN's "State of the Union" email dated October 13, 2017 which asserted WIHBN was at a "critical turning point" in its business and that "hemorrhaging money and resources (while trying to save some of these defunct investments) is crippling our operation and the capability to survive." They further failed to disclose legal proceedings against WIHBN by two investors, two vendors and the City of Milwaukee. In addition, WIHBN had overdue promissory note payments of at least \$450,000 owed to eight investors as set forth in an email dated October 10, 2017 from Arrington to Nemeth.
168. WIHBN through Arrington and Nemeth immediately proceeded to expend all of BH's money by making mortgage and promissory notes payments to other investors, paying legal fees, taking draws for themselves, and transferring funds to the accounts of X-Speck, WIHBN Realty, WIHBN Contractor Services, and Deadwyler Consulting Group. By January 9, 2018, the balance in account -5699 was only \$82.55. None of BH's investment funds were used to acquire real estate in Menomonee Falls.
169. On March 8, 2018, BH met with Arrington and Nemeth in person to discuss his promissory note which was becoming due that month. They informed BH they had been unable to acquire the Menomonee Falls property but had other commercial properties

they wanted to purchase. They asked BH to extend his promissory note beyond the maturity date, and BH agreed.

170. At no time during the March 8, 2018 meeting, did Arrington or Nemeth indicate they were unable to pay BH's promissory note by the original due date, or that WIHBN had been unable to pay other investors principal and interest when it came due. Arrington and Nemeth did not disclose they had expended all of BH's funds within three weeks of receiving it, using most of it to pay down WIHBN's debt, payroll, legal fees and to make Ponzi-like payments to other investors.
171. Without the infusion of investment funds from BH into account -5699, none of the payments listed in paragraph 168 could have been made. BH received no interest payments or return of principal for his investment.
172. BH filed a civil judgment against WIHBN on September 17, 2018 and received default judgment in his favor on March 29, 2019.

INVESTOR 15 - DK

173. Sometime in January 2017, Investor DK of Appleton, Wisconsin was introduced to Michael McDermott, Arrington and Nemeth through her sister. At the time, she was a widow and near retirement. She was an unaccredited investor.
174. Arrington and Nemeth told DK that they had a successful business acquiring properties, repairing them and reselling them. They also told DK their business was focused on helping veterans by placing them in affordable housing. They described real estate investments as safe, and represented to DK that WIHBN's investments carry little to no risk at all.
175. Based on the representations of McDermott, Arrington and Nemeth, DK made several investments into WIHBN, liquidating all of her retirement funds and nearly all of her other savings for a total investment of \$328,070.
- a. On or about February 2, 2017, DK wired \$100,000 to WIHBN account -5699. The account balance at the time was \$51.34. In exchange for her investment, DK received a one-year balloon note dated January 31, 2017 which promised to repay principal and interest at 12% on or before February 1, 2018.
 - b. On or about March 31, 2017, DK wired \$99,975.00 to WIHBN account -5699. The account balance at the time was \$346.84. In exchange for her investment, DK dba Beyond Front Doors 401K received a one-year balloon note dated April 31, 2017 which promised to repay principal and interest at 12% on or before April 1, 2018.
 - c. On or about June 15, 2017, DK wired \$55,975 to WIHBN account -5699. The account balance at the time was \$1,449. In exchange for her investment, DK

received a four-month balloon note dated June 16, 2017 which promised to repay principal of \$50,000 and interest at 12% on or before October 14, 2017.

- d. On or about June 15, 2017, DK wired \$43,975.00 to WIHBN account -5699. The account balance at the time was \$1,449. In exchange for her investment, DK dba Beyond Front Doors 401K received a four-month balloon note dated June 16, 2017 which promised to repay principal of \$50,000 and interest at 12% on or before October 14, 2017.
- e. On or about September 6, 2017, DK wired \$28,145.00 to WIHBN account -5699. The account balance at the time was \$520.34. In exchange for her investment, DK received a three-month balloon note dated September 6, 2017 which promised to repay principal and interest at 12% on or before December 6, 2017.

176. Without DK's knowledge or permission, WIHBN through Arrington and Nemeth comingled DK's investment funds with other investor money and used it to, among other things, take draws, make payments to Deadwyler Consulting Group LLC and Citadel Investments, LLC and to make interest payments to other investors, including but not limited to Investors CC, PJI, JK, KSM, and WJT. In addition, without DK's knowledge or permission, WIHBN through Arrington and Nemeth used the entirety of DK's last investment of \$28,145.00 to pay Michael McDermott's delinquent taxes on two Milwaukee properties unrelated to the business of WIHBN.³

177. WIHBN did not pay to Investor DK any of the principal and interest when it became due on the above promissory notes.

178. On or about January 11, 2018, when DK had an urgent need for funds, WIHBN wired \$26,153.85 to DK.

INVESTOR 16 - RCC

179. Investor RCC of Mineral Point, Wisconsin learned about WIHBN through a friend named Michael McDermott. Through conversations with McDermott, Arrington and Nemeth RCC learned that WIHBN used investor funds to acquire, rehab and resell real estate properties. RCC was an unaccredited investor. RCC invested in two transactions, and her total investment of \$283,781.00 constituted nearly all of her savings. At the time of her initial investment, RCC was 67 years old.

180. In an email dated August 15, 2017, from Arrington to RCC (cc'd to McDermott and Nemeth), Arrington stated with respect to her first investment: "We will use these funds

³ The two Milwaukee properties were owned by Michael McDermott's business, Extra Sharp Investments, LLC.

in conjunction with two current projects we have underway and coming up.” In the email Arrington also stated: “When your next amount becomes available we will use that amount and secure it with the property it will aid us in purchasing and remodeling... We are excited to work with you and look forward to a partnership that will continue to grow as will your retirement.”

181. On or about August 22, 2017, RCC wrote a check in the amount of \$63,781 payable to WIHBN in exchange for an unsecured six-month promissory note dated August 16, 2017, which promised repayment of principal in the amount of \$70,000 at “a rate of twelve percent (10%) per annum,” due on February 16, 2018.

182. At the time RCC’s \$63,781 were deposited into WIHBN account -5699, the balance was \$44.94.

183. On January 10, 2018, before the balloon payment on the \$70,000 note became due, RCC wired \$220,000 from Associated Bank to the WIHBN Financial Services, LLC bank account -1662. In exchange for her investment, RCC received a promissory note dated January 9, 2018 which contained the following terms:

“The terms, will be the principal \$220,000.00 and set interest rate of 13% paid every six months in interest only payments for term of twenty-four months. The bi-annual payment will be \$14,300 paid via direct deposit into lenders bank account. The principal of \$220,000.00 plus 2 points (\$4,489.80) for a total of \$224,489.80 will be paid in full by January 9, 2020. The first payment will be sent on July 9, 2018.”

184. At the time RCC’s \$220,000 were deposited into the WIHBN Financial Services bank account -1662, the balance was \$200.00. RCC’s monies were commingled and disbursed throughout multiple accounts for WIHBN’s multiple LLCs. For example, on 1/11/2018, WIHBN transferred \$32,000 and \$50,000 to account -5699 in two separate transactions. The balance in -5699 prior to receiving these transfers was \$82.55.

185. At the time of her investments, Arrington and Nemeth failed to disclose to RCC that they were unable to pay WIHBN’s bills as they came due, that WIHBN owed delinquent property taxes to the City of Milwaukee in the amount of \$43,000, that an investor and two contractors had filed civil suits against WIHBN seeking damages, another investor had filed a foreclosure action, and that WIHBN had failed to make timely payments of principal and interest to other investors.

186. At the time of RCC’s investment in January 2018, Arrington and Nemeth failed to disclose to RCC information contained in WIHBN’s “State of the Union” email dated October 13, 2017 which asserted WIHBN was at a “critical turning point” in its business and that “hemorrhaging money and resources (while trying to save some of these defunct investments) is crippling our operation and the capability to survive.”

187. A portion of RCC's investment was used to make an interest payment of \$1,903.58 to PJI on 2/12/18 and to pay a portion of a civil judgment against WIHBN.
188. RCC has received no interest payments or return of principal on her promissory notes.
189. On April 30, 2018, Arrington notified Nemeth by email that he wanted to leave the WIHBN businesses and was disassociating from the companies immediately.
190. Sometime later in 2018 or early 2019, all WIHBN business operations ceased.
191. On or about June 6, 2019, Nemeth and his spouse filed for personal bankruptcy in the Eastern District of Wisconsin, seeking to discharge, among other debts, the promissory note obligations to the WIHBN investors. Case No. 19-25569. On March 24, 2020, the bankruptcy judge issued an order approving Nemeth's Voluntary Waiver of Discharge.
192. On or about June 21, 2019, Arrington and his spouse filed for personal bankruptcy in the Western District of Wisconsin, seeking to discharge, among other debts, the promissory note obligations to the WIHBN investors. Case No. 3-19-12147. The case is pending.

B. Conclusions of Law

Legal Authority and Jurisdiction

193. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
194. The WIHBN promissory notes and land contract mortgages constitute evidence of indebtedness and investment contract securities pursuant to Wis. Stat. § 551.102(28) because they represent investments in a common enterprise with the expectation of profits to be derived through the essential managerial efforts of someone other than the investor.
195. The WIHBN promissory notes are notes and, therefore, securities pursuant to Wis. Stat. § 551.102(28).
196. WIHBN is an issuer pursuant to Wis. Stat. § 551.102(17).
197. Nemeth and Arrington are agents of an issuer pursuant to Wis. Stat. § 551.102(2).
198. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for a person to transact business in Wisconsin as an agent unless the person is registered under Ch. 551 as an agent or is exempt from registration as an agent under Wis. Stat. § 551.402(2).

199. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
200. Pursuant to Wis. Stat. § 551.501(3), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

Violations

201. Through the conduct described in the above paragraphs, Arrington violated Wis. Stat. § 551.402(1) by transacting business as agents in Wisconsin without being registered under Ch. 551 or exempted from registration under Wis. Stat. 551.402(2) with each of the above investors.
202. Through the conduct described in the above paragraphs, WIHBN and Arrington violated Wis. Stat. § 551.501(2) with respect to each of the above investors when, in connection with the offer, sale, or purchase of securities, they made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
203. Through the conduct described above, WIHBN and Arrington violated Wis. Stat. § 551.501(3) with respect to each of the above investors when, in connection with the offer, sale, or purchase of securities, they engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

- (a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of

securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).

- (b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).
- (c) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.
- (d) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of either RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENTS.
- (e) IT IS FURTHER ORDERED that JEREMY ARRINGTON, jointly and severally with Joseph Nemeth, pay restitution to each Wisconsin investor who invested in WIHBN as set forth in Exhibit 1, with interest on such amount at the legal rate under Wis. Stat. § 138.04, starting from the date of each sale to each investor through the date of satisfaction, less any principal or interest repaid to the investor prior to the issuance of this Order, pursuant to Wis. Stat. § 551.604(4m).
- (f) IT IS FURTHER ORDERED that JEREMY ARRINGTON shall pay a civil penalty in the form of an administrative assessment totaling **\$25,000** for the many violations committed against Wisconsin investors, pursuant to Wis. Stat. § 551.604(4). Such payment shall be made payable to the Wisconsin Department of Financial Institutions and shall be remitted to the Division no later than 30 calendar days from the date of issuance of this Order.
- (g) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENTS, are prohibited from becoming registered in any capacity under Ch. 551, or successor statute that might otherwise apply, prior to satisfying their civil liabilities under Wis. Stat. §§ 551.604 (4) and (4m) and 551.509.

(h) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

(i) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611. With the parties' consent, this order may also be served via electronic mailing.

(j) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail if service is by certified mail. If a party or the party's attorney is personally served, the date of service is the date service is completed. If a party or the party's attorney is served by electronic mail, the date of service is the date the order is emailed.

C. Notifications

(k) PLEASE TAKE NOTICE that this Order consented to by RESPONDENTS prohibits RESPONDENTS from transacting business in the State of Wisconsin per the terms of the consent orders issued pursuant to Wis. Stat. § 551.604(2), is effective upon the date issued, and shall have the same effect on RESPONDENTS as a permanent injunction entered by a circuit court pursuant to Wis. Stat. § 551.603(2)(a).

(l) PLEASE TAKE FURTHER NOTICE that this Final Order by Consent is effective on the date it is issued. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

(m) PLEASE TAKE FURTHER NOTICE violations of this Final Order by Consent may be enforced by any investor or by the Division, whether acting in its own right or on behalf of the investor, by petitioning any court of competent jurisdiction to enforce the terms of the Final Order by Consent.

(n) PLEASE TAKE FURTHER NOTICE this is a Final Order for purposes of Wis. Stat. § 551.604(6).

EXECUTED at Madison, Wisconsin, this 7th day of July, 2020.

(SEAL)

A handwritten signature in cursive script that reads "Leslie M. Van Buskirk". The signature is written in black ink on a light-colored background.

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way, 4th Floor North
Madison, Wisconsin 53703

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

In the Matter of,

JEREMY ARRINGTON,
WISCONSIN HOMEBUYERS NETWORK, LLC, *et al.*

WAIVER AND CONSENT
TO ORDER

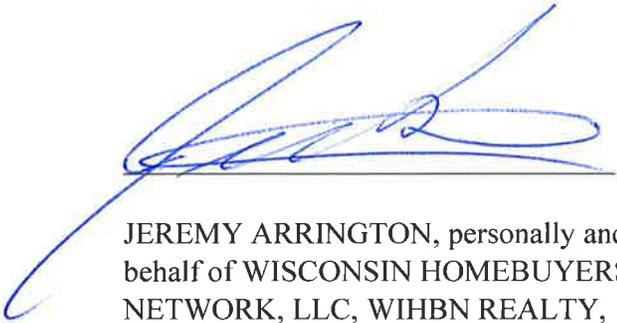
Respondents.

DFI Case No. S-236789 (EX)

The undersigned Respondents, JEREMY ARRINGTON and WISCONSIN HOMEBUYERS NETWORK, LLC, *et al.*, having decided not to contest the issuance of the attached Final Order by Consent, hereby waive their rights to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Order. Respondents reserve all defenses for any proceeding not covered by this Final Order by Consent.

Respondents hereby acknowledge that, in exchange for Respondents' voluntary consents and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, imposition of restitution and civil penalties, and other conditions as described in the attached Order, the Division agrees to resolve this matter by issuance of the attached Order. Subject to Respondents' compliance with the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603. If Respondents fail to comply with any condition or term of the Final Order by Consent, the Division reserves all rights under the law to enforce the Final Order by Consent against Respondents.

The undersigned Respondents understand and agree that the attached Final Order by Consent shall prohibit the Respondents from transacting any securities business in the State of Wisconsin, effective on the date the Order is issued. The undersigned Respondents understand the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.



JEREMY ARRINGTON, personally and on behalf of WISCONSIN HOMEBUYERS NETWORK, LLC, WIHBN REALTY, LLC, WIHBN CONTRACTOR SERVICES LLC, WIHBN FINANCIAL SERVICES, LLC, WIHBN ELECTRICAL MECHANICAL SERVICES, LLC, WIHBN TOTAL PLUMBING SERVICES, LLC, X-SPECK SERVICES, LLC.

State of Wisconsin)
County of Dane)
Subscribed before me this

22 of June, 2020.

John Driscoll
Notary Public

My commission is permanent/expires is permanent



EXHIBIT 1 -- INVESTOR SUMMARY

Investor	Total Invested	Date of Initial Investment	Payments Received by Investor	Restitution Owed To Investor
1 JH	\$168,010	11/23/11	\$13,500.00	\$154,510
2 PJI	\$490,050	6/28/12	\$316,077	\$173,973
3 MA	\$56,500	8/22/12	None	\$56,500
4 JK & MK	\$30,000	8/8/12	\$3,030	\$26,970
5 NL	\$18,000	10/9/12	None	\$18,000
6 JES	\$335,000	11/7/12	TBD	TBD
7 CC	\$35,000	2/18/13	None	\$35,000
8 JMG	\$165,000	12/16/14	\$7,000	\$158,000
9 TJ	\$10,000	11/1/15	\$1,400	\$8,600
10 SS	\$103,000	5/5/15	\$57,200	\$45,800
11 JAM	\$50,000	12/9/16	None	\$50,000
12 DRL	\$585,000	1/6/16	\$43,900	\$541,100
13 SDS	\$55,000	3/25/16	None	\$55,000
14 BH	\$150,000	12/15/17	None	\$150,000
15 DK	\$328,070	1/31/17	\$26,153.85	\$301,916.15
16 RCC	\$283,781	8/16/17	None	\$283,781
Total	\$2,862,411		\$468,260.85	\$2,059,150.15