

STATE OF COLORADO



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PRESS RELEASE

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REAL ESTATE INVESTMENT FIRM SANCTIONED BY SECURITIES COMMISSIONER

Denver, Colorado --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered a final cease and desist order against a Colorado real estate investment firm and its manager for allegedly violating the securities registration provisions of the Colorado Securities Act ("Act") in connection with the offer of securities in and from Colorado.

Named in the Order are **A&M Properties, LLLP**, and its principal officer and manager, **Gerald E. Kessel**, of Newport Realty Investments, Ltd., all of Englewood, Colorado.

The Staff of the Division of Securities (the "Staff"), which is a division of the Colorado Department of Regulatory Agencies ("DORA"), alleged that Kessel sought investors for his real estate project by advertising on the internet website www.propertyline.com. According to Kessel, he was seeking passive investors to invest in a "light rail" opportunity by assisting him in purchasing the former Landmark Lincoln/Mercury car lot located at 9200 West Colfax Avenue in Lakewood, Colorado. Kessel promoted the investment stating that the property would be turned into an RV/Boat/Auto storage facility, with long term plans of selling the property after it is rezoned as a "Transit

Orientated Development." Kessel was seeking \$50,000 from each investor for the proposed \$1.7 million project.

The Staff alleged that the Respondents failed to register its security offering and, by offering the investment opportunity to the public at large through the use of internet advertising, Respondents were unable to take advantage of any private offering exemption under the Act. "The registration of securities provides important safeguards to the public," said Commissioner Joseph. "It requires promoters to make full and fair disclosure of information about securities offerings available to potential investors and it enables our office to review investment offerings, before they are circulated, for evidence of fraud and other possible violations."

The cease and desist order, which all of the Respondents agreed to, orders them to immediately and permanently cease and desist offering or selling any "security" in or from the State of Colorado in violation of the anti-fraud, registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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