

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-13-1255-14-CO01  
 whether there has been a violation of the )  
 Securities Act of Washington by: )  
 )  
 Global Village Properties LLC; ) CONSENT ORDER  
 REI Capital LLC; )  
 Robert Malecki; )  
 )  
 Respondents. )

**INTRODUCTION**

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents, Global Village Properties LLC; REI Capital LLC; and Robert Malecki, do hereby enter into this CONSENT ORDER in settlement of the matters as alleged below. Respondents, Global Village Properties LLC; REI Capital LLC; and Robert Malecki, neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

**FINDINGS OF FACT**

Respondents

1. Global Village Properties LLC (“Global Village”) is a Washington limited liability company formed in 2007 with its principal place of business in Kingston, Washington. Global Village purchases properties to either rent or renovate and sell for a profit.
2. REI Capital LLC (“REI Capital”) is a Washington limited liability company formed in 2012 with its principal place of business of Kingston, Washington. REI Capital is a fund to pool investment dollars to purchase rental properties and properties to renovate and sell for a profit.
3. Robert Malecki (“Malecki”), also known as Bob Malecki, is a resident of Washington and is a manager of Global Village and REI Capital.

Prior Enforcement Action

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4. On January 20, 2011, Malecki entered into a Consent Order (S-08-347-10-CO01) with the Securities Division in which he agreed to cease and desist from violating the securities registration, broker-dealer/securities salesperson registration, and anti-fraud sections of the Securities Act of Washington. The Consent Order resolved a Statement of Charges (S-08-347-09-SC01) issued against Malecki on February 2, 2010. In the Statement of Charges the Securities Division alleged that Malecki violated the Securities Act of Washington in connection with the offer and sale of promissory notes secured by deeds of trust and issued by two other Malecki controlled limited liability companies, Homeowner Resources LLC and Kitsap Private Lending Group LLC. Malecki used Homeowner Resources LLC and Kitsap Private Lending Group LLC to solicit investment funds to purchase properties in order to renovate and rent the properties.

Nature of the Offering

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5. After entering into the Consent Order referenced above, Malecki consulted with an attorney about how he could continue to raise funds in order to purchase properties to rent or renovate and sell in compliance with applicable securities laws. Malecki then raised investment funds through two entities offering two different types of investments. Global Village issued investors promissory notes secured by deeds of trust and REI Capital sold membership interests in its limited liability company.

*Global Village Properties LLC*

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6. Global Village sold investors promissory notes secured by deeds of trust to finance its real estate business, which included the purchase, renovation, leasing, and sale of real estate properties. Global Village raised over \$400,000 from at least three investors through the sale of promissory notes secured by deeds of trusts. Global Village typically offered promissory notes that paid seven or eight percent interest for a period of six months. Global Village offered to pay interest monthly or defer the payment until the end of the note term, when the balance of the note became due. Global Village intended to pay off investors from the proceeds of sale of the property.

1 7. Global Village advertised its investment opportunities on its website, [globalvillageproperties.com](http://globalvillageproperties.com),  
2 and asked interested persons to contact Bob Malecki for more information. Global Village represented itself as a real  
3 estate investment firm specializing in the acquisition and management of multifamily properties.

4 8. To purchase a property Global Village typically sought funds from “hard money lenders,” companies  
5 that Malecki describes as being in the business of lending money, and private investors. Most of the properties that  
6 Global Village acquired involved both a hard money lender and a private investor. Typically Global Village obtained  
7 70 to 80 percent of the purchase price of a property from a hard money lender and then the remaining funds came  
8 from the private investor. Global Village entered into separate promissory notes with the hard money lender and the  
9 private investor, each note secured by a separate deed of trust.

10 9. Global Village is not currently registered to sell securities in the state of Washington and has not  
11 previously been so registered. There is no notification of exemption on file with the state of Washington.

12 *REI Capital LLC*

13 10. Malecki started an investment fund called REI Capital in late 2012. Malecki told prospective  
14 investors that their funds would be used to purchase real estate properties, which could be renovated and/or rented and  
15 eventually sold for a profit. Malecki sold membership units in REI Capital with a minimum investment amount of  
16 \$25,000. REI Capital required investors to commit to remaining in the fund for at least 12 months. REI Capital  
17 raised \$200,000 from six investors. Most, if not all, of the investors in REI Capital are unaccredited.

18 11. REI Capital maintained a website at [reicapitalusa.com](http://reicapitalusa.com) where it described REI Capital as an  
19 investment group that acquires and manages real estate investment properties that generate current income. REI  
20 Capital stated that its investment was for new, intermediate, and experienced investors. Also on its website, REI  
21 Capital asked interested investors to register with the company to learn more about the investment opportunity.

22 12. REI Capital is not currently registered to sell securities in the state of Washington and has not  
23 previously been so registered. With the assistance of counsel, REI Capital notice filed an exemption from registration  
24 under Regulation D rule 505 on July 31, 2013. The exemption REI Capital claimed under Regulation D Rule 505 is  
25 not available because REI Capital generally solicited for investors, as described above. Additionally, the exemption

1 claimed is not available because REI Capital's manager, Robert Malecki, was subject to an enforcement order entered  
2 by the Washington State Administrator within five years of filing of the notice.

3 13. Robert Malecki is not currently registered as a securities salesperson or broker-dealer in the state of  
4 Washington and has not previously been so registered.

5 Based upon the above Findings of Fact, the following Conclusions of Law are made:

6 **CONCLUSIONS OF LAW**

7 1. The offer and/or sale of promissory notes and LLC membership interests described above constitute  
8 the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

9 2. Respondents, Global Village Properties LLC; REI Capital LLC; and Robert Malecki, have each  
10 violated RCW 21.20.140, because, as set forth in the Findings of Fact, Respondents offered and/or sold securities for  
11 which no registration is on file with the Securities Administrator.

12 3. Respondent Robert Malecki has violated RCW 21.20.040 by offering and/or selling said securities  
13 while not being registered as a securities salesperson or broker-dealer in the state of Washington.

14 **CONSENT ORDER**

15 Based upon the foregoing and finding it in the public interest:

16 IT IS AGREED AND ORDERED that Respondents, Global Village Properties LLC; REI Capital LLC; and  
17 Robert Malecki, their agents and employees each shall cease and desist from violating RCW 21.20.140, the securities  
18 registration section of the Securities Act of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent Robert Malecki, his agents and employees,  
20 each shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-dealer registration  
21 section of the Securities Act of Washington.

22 IT IS FURTHER AGREED AND ORDERED that Respondent Robert Malecki shall be liable for and shall  
23 pay an administrative fine in the amount of \$100 prior to the entry of this Consent Order.  
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1 IT IS FURTHER AGREED AND ORDERED that Respondent Robert Malecki shall be liable for and shall  
2 pay investigative costs in the amount of \$400. Payment of the investigative costs shall be made as follows:  
3 Beginning May 1, 2015, Respondent Robert Malecki shall pay \$100 per month toward the investigative costs for four  
4 (4) consecutive months. Each payment shall be due on the first business day of the month.

5 IT IS FURTHER AGREED that if Respondent Robert Malecki fails to make any monthly payment as ordered  
6 in this Consent Order, the balance of the investigative costs shall become immediately due and payable, and the  
7 Securities Division may seek enforcement of the Consent Order pursuant to RCW 21.20.395.

8 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

9 IT IS FURTHER AGREED that Respondents, Global Village Properties LLC; REI Capital LLC; and Robert  
10 Malecki, entered into this Consent Order freely and voluntarily and with a full understanding of its terms and  
11 significance.

12 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, Global Village Properties  
13 LLC; REI Capital LLC; and Robert Malecki, each waive their right to a hearing and to judicial review of this matter  
14 pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

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16 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

17 Signed this 28th day of March 2015.

18 Signed by:

19 /s/  
20 Robert Malecki, Manager  
21 Global Village Properties LLC

22 Signed by:

23 /s/  
24 Robert Malecki, Manager  
25 REI Capital LLC

