

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF:**

**KENNETH O'NEAL GRIFFIN,**  
**d/b/a Progenerate, Inc., his partners,**  
**officers and directors, agents, employees,**  
**affiliates, successors and assigns.**

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**ORDER OF PROHIBITION AND FINE**

**TO RESPONDENT:           KENNETH O'NEAL GRIFFIN**  
**2458 West Peterson Avenue**  
**Chicago, Illinois 60659**

**WHEREAS**, the above-captioned matter came on to be heard on March 14, 2012 pursuant to Notice of Hearing dated January 17, 2012 and served on Respondent through the Secretary of State Index Department after certified mail efforts were unsuccessful, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

**WHEREAS**, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

**WHEREAS**, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James Kopecky, Esq., in the above-captioned matter have been read and examined.

**WHEREAS**, the following proposed Findings of Fact of the Hearing Officer are correct, and are hereby adopted as Findings of Fact of the Secretary of State:

**I. Proposed Findings of Fact**

Based on the evidence presented, the Hearing Officer finds that:

1. The Department served Respondent with a Notice of Hearing on or about January 18, 2012.
2. The Respondent failed to answer, appear, or submit a responsive pleading.
3. The Respondent did not appear at the Hearing.
4. Respondent Kenneth O'Neal Griffin (at times hereinafter "Griffin" or "Respondent") has a last known address of 2458 West Peterson Avenue, Chicago, Illinois 60659.
5. At all times hereinafter Griffin was doing business under his own name, and under the name of Progererate, Inc. formerly an Illinois corporation controlled by Griffin that was involuntarily dissolved on 11/5/2005.
6. In September 2008 Griffin promised an Illinois resident ("Investor") that if Investor placed funds with him he would generate substantial income for Investor.
7. Later in September 2008 Griffin created an "investment plan" for Investor and convinced Investor to place \$2,804.44 with him for the purchase of Apple and Google stock.
8. Investor then gave Griffin cash in the amount of \$2,804.44 ("Investment").
9. Griffin told Investor the money generated from these stocks would enable Investor to pay off all of Investor's debt by April 2009, and Investor would have extra money to invest, and Investor would be "financially set."
10. Respondent Griffin failed to invest Investor's funds in stock as promised, but instead used the funds for his own personal and business purposes~
11. Respondent failed and refused to notify Investor that he was converting the Investment to his own use and benefit, instead of using it for the business purpose of purchasing stock on behalf of Investor.
12. Respondent failed and refused to notify Investor of the risk involved in the Investment that could result in the loss of the money paid by the Investor, but rather assured the Investor, at a later date, that Investor need not worry about the Investment, and stated that Investor had "made so much money from the stock that he had flipped it and purchased even more shares."

**WHEREAS**, the following proposed Conclusions of Law are correct, they are hereby adopted as Conclusions of Law of the Secretary of State:

**II. Proposed Conclusions of Law**

Based on the evidence presented and an application of the law to those facts, the Hearing Officer concludes:

1. The Department properly served the Notice of Hearing on Respondent.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondent's failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 13.1104:
  - (a) the allegations contained in the Notice of Hearing are deemed admitted;
  - (b) Respondent waived his right to a hearing;
  - (c) Respondent is subject to an Order of Default.
5. Because the Respondent failed to appear at the time and place set for hearing, in accordance with Section 130.1109, he:
  - (a) waived his right to present evidence, argue, object or cross examine witnesses; or
  - (b) otherwise participate at the hearing.
6. The activities described above in paragraphs 6-9 constitute the offer and sale of an investment contract and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
7. Section 1 2.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
8. Section 1 2.G of the Act provides, *inter alia*, that it shall be a violation of

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the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission 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.

9. Section 12.1 of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to employ any device, scheme or artifice, to defraud in connection with the sale or purchase of any security, directly or indirectly".
10. By virtue of the foregoing, Respondent violated Sections 12.F, 12.G and 12. I of the Act and will violate them again if he makes further offers, or if he makes any sales of investment contracts or other securities described above in the State of Illinois.

**NOW THEREFORE IT IS HEREBY ORDERED THAT:**

1. An Order of default be entered against Respondent Kenneth O'Neal Griffin and the allegations in the Notice of Hearing be deemed admitted;
2. An order be entered permanently prohibiting Respondent and his agents, employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois; and
3. Respondent be fined \$10,000.

Dated: This 2nd day of April 2012.



JESSE WHITE  
Secretary of State  
State of Illinois  
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