

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

IN THE MATTER OF:

Kevin Gerald Kolz (CRD#4031249)

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) **File Number: 1200135**
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ORDER OF PROHIBITION AND REVOCATION

TO THE RESPONDENT:

Kevin Gerald Kolz
(CRD #4031249)
2418 Daybreak Court
Elgin, Illinois 60123

Kevin Gerald Kolz
c/o John McClellan
Chief Compliance Officer
Sigma Financial Corporation (CRD# 14303)
4261 Park Road
Ann Arbor, Michigan 48103-9508

Kevin Gerald Kolz
c/o John McClellan
Chief Compliance Officer
Sigma Planning Corporation (IARD# 110692)
4261 Park Road
Ann Arbor, Michigan 48103-9508

WHEREAS, a Temporary Order of Prohibition & Suspension was issued by the Illinois Secretary of State, on April 27, 2012, that:

1. Temporarily prohibited the Respondent from offering or selling securities in the State of Illinois for a maximum period of ninety (90) days.
2. Temporarily suspended the Respondent's registration as a securities salesperson and investment adviser representative in the State of Illinois for a maximum period of ninety (90) days.

Order of Prohibition and Revocation

-2-

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition & Suspension shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent **Kevin Gerald Kolz** has failed to request a hearing on the matters contained in the Temporary Order of Prohibition & Suspension within thirty (30) calendar days of the entry of said Temporary Order and the Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order of Prohibition & Suspension as the Secretary of State's Findings of Fact as follows:

FAILURE TO DISCLOSE OUTSIDE BUSINESS ACTIVITY ON FORM U-4

1. Respondent **Kevin Gerald Kolz** ("Kolz") is an individual with a last known address of 2418 Daybreak Court, Elgin, Illinois 60123.
2. Kolz is currently registered with Sigma Financial Corporation as a securities salesperson and has been registered in this capacity since January of 2004.
3. In addition, Kolz is currently registered with Sigma Planning Corporation as an investment adviser representative and has been registered in this capacity since August of 2007.
4. As early as 2011, Kolz began soliciting purported investments in undisclosed businesses based in Nigeria.
5. Investor A was an individual that Kolz approached about the investment in the Nigerian businesses. Investor A agreed to make the investments, and liquidated the proceeds of other investments in order to provide the funds for the investment in Nigerian businesses.
6. Kolz was registered as a securities salesperson of Sigma Financial Corporation at the time that he solicited Investor A to make investments in Nigerian businesses.
7. In addition, Kolz was registered as an investment adviser representative of Sigma Planning Corporation at the time that he solicited Investor A to make investments in Nigerian businesses.
8. Pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") and the Rules and Regulations promulgated under the Act, securities salespersons are required, through their broker-dealer, to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended

Order of Prohibition and Revocation

-3-

within ten (10) business days when the salesperson experiences a change that renders any information contained in the initial application for registration inaccurate.

9. Kolz submitted his most recent U-4 form as a securities salesperson of Sigma Financial Corporation on June 19, 2009. On this U-4 form he answered the following question:

“Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.”

10. In answering this question, Kolz stated that he was involved in outside business activity, but failed to disclose that he was soliciting investments in Nigerian businesses or that he was otherwise involved with Nigerian businesses.
11. At no time did Kolz update his U-4 Form to reflect that he was soliciting investments in Nigerian businesses or that he was otherwise involved with Nigerian businesses.
12. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
13. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has violated any of the provisions of this Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order of Prohibition & Suspension as the Secretary of State's Conclusions of Law as follows:

1. Respondent **Kevin Gerald Kolz** violated Section 12.D of the Act.
2. Respondent **Kevin Gerald Kolz** is subject to an Order prohibiting him from offering or selling any securities in or from the State of Illinois pursuant to Section 11.F of the Act.

Order of Prohibition and Revocation

-4-

3. Respondent **Kevin Gerald Kolz's** registration as an investment adviser representative and securities salesperson are subject to revocation pursuant to Section 8.E(1)(g) of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent **Kevin Gerald Kolz** is **PROHIBITED** from offering or selling securities in or from the State of Illinois.
2. Respondent **Kevin Gerald Kolz's** registration as an investment adviser representative and securities salesperson in the State of Illinois is **REVOKED**.

Dated: This 7th day of June, 2012.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

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