

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: LOYAL FINANCIAL GROUP, LOYAL)
FINANCIAL PRIVATE INVESTMENTS)
THEIR OFFICERS, DIRECTORS,) File No. 1200413
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS)
AND SERGIJ LYAKOWSKIJ)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: Loyal Financial Group
Loyal Financial Private Investments
Sergij Lyazkowskij
954 Jameson Way
Westmont, IL 60559

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, having been fully advised in the premises by the staff of the Illinois Securities Department, Office of the Secretary of State, herein find:

1. That Respondent, Loyal Financial Group, is an unregistered company operating through a mailbox obtained on March 21, 2012 and located at The UPS Store® #243, 919 Centre St. NW, Calgary AB T2E 2P6.
2. That Respondent, Loyal Financial Private Investments, is an unregistered company operating through a mailbox obtained on March 21, 2012 and located at The UPS Store® #243, 919 Centre St. NW, Calgary AB T2E 2P6.
3. That Respondent, Sergij Lyazkowskij, is the purported owner of the UPS mailbox.
4. That Respondent, Sergij Lyazkowskij, is domiciled at 954 Jameson Way, Westmont, IL 60559.

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5. That Respondent, Loyal Financial Group, has a website, <https://www.loyalfinancial.com>, advertising investment products, including an International Value Fund, a Capital Asia Fund and a Gold and Minerals Fund.
6. That Respondent, Loyal Financial Private Investments, has its logo on the header and footer of each page of the above-referenced website.
7. That Respondent, Loyal Financial Group, purports to be a mutual company that has been in operation since the mid-1990s.
8. That on August 1, 2010 the domain for the above-referenced website was created.
9. That the above-referenced website possesses a copyright notice dated 2001-2012.
10. That Respondent, Loyal Financial Group, purports to offer and/or sale to investors, in the State of Illinois and elsewhere, investment services that include global investment management services and daily financial planning advice.
11. That the above-referenced investment products are securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act").
12. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
13. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
14. That the above-mentioned Respondents, Loyal Financial Group, Loyal Financial Private Investments and Sergij Lyazkowskij, are a dealers as that term is defined pursuant to Section 2.7 of the Act.

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15. That the above-mentioned Respondent, Sergij Lyazkowskij, is a salesperson as that term is defined pursuant to Section 2.9 of the Act.
16. That the above-mentioned Respondents, Loyal Financial Group, Loyal Financial Private Investments and Sergij Lyazkowskij, are investor advisers as that term is defined pursuant to Section 2.11 of the Act.
17. That Section 8 of the Act provides, inter alia, that every dealer, salesperson and investment adviser shall be registered as such with the Secretary of State when offering or selling securities except those exempt under Section 4 of the Act.
18. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as a dealer, salesperson or investment adviser unless registered as required under the Act.
19. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act.
20. That at all times relevant hereto, the Respondents, Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij, failed to register their securities prior to the offer and/or sale of securities in the State of Illinois.
21. That at all times relevant hereto, the Respondents, Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij, failed to register as dealers and investment advisers prior to the offer and/or sale of securities in the State of Illinois.
22. That at all times relevant hereto, the Respondent, Sergij Lyazkowskij, failed to register as a salesperson prior to the offer and/or sale of securities in the State of Illinois.
23. That by virtue of the foregoing, the Respondents, Loyal Financial Group, Loyal Financial Private Investments

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(their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij, have violated Sections 12.A, 12.C and 12.D of the Act.

24. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
25. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits the Respondents, Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij, from offering and/or selling securities in the State of Illinois.
26. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij are hereby PROHIBITED from offering and/or selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondents may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 300 W. Jefferson St., Suite 300A, Springfield, Illinois 62702. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the


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effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

ENTERED: This 21st day of November, 2012



JESSE WHITE
Secretary of State
State of Illinois

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