

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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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 LYAZKOWSKIJ )  
)

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ORDER OF PROHIBITION

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

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on November 21, 2012 prohibiting Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij from offering or selling securities in the State of Illinois until further order of the Secretary of State.

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 days of the entry of the Temporary Order of Prohibition shall constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij have failed to request a hearing on the matters contained in said Temporary Order within thirty days of the entry of said Temporary Order and are hereby deemed to have admitted the facts alleged in said Temporary Order.

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

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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 Lyazkowski, is the purported owner of the UPS mailbox.
4. That Respondent, Sergij Lyazkowski, is domiciled at 954 Jameson Way, Westmont, IL 60559.
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").

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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.
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

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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.

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

1. That by virtue of the foregoing, the Respondents, Loyal Financial Group, Loyal Financial Private Investments (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 and will violate the Sections again if they make further offers and/or sales of securities in the State of Illinois; and
2. That by virtue of the foregoing, the Respondents, Loyal Financial Group, Loyal Financial Private Investments (their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns) and Sergij Lyazkowskij, are subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits them from offering and/or selling securities in the State of Illinois.

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

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ENTERED: This 27<sup>th</sup> day of December, 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 for each offense.

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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