

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

IN THE MATTER OF: SCOTT CHRISTOPHER LOIDL

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FILE NO. 1100168

NOTICE OF HEARING

TO THE RESPONDENT: Scott Christopher Loidl (Crd#: 4458018)
4451 North Francisco
Chicago, IL 60625

C/O Edward Jones
Attn: Director of Compliance
12555 Manchester Rd
St Louis, MO 63131-3729

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 17th day of May 2011, at the hour of 9:00 a.m., or as soon as possible thereafter, before , Soula J. Spyropoulos, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine if the registration of Respondent Scott Christopher Loidl as a investment advisor representative and salesperson will be subject to a revocation in accordance with 8.E(1)(o) of the Illinois Securities Law, as amended ("Act") and if the costs of the investigation and all reasonable expenses, including attorney's fees and witness fees shall be assessed, in accordance with Section 11.E(4) of the Act.

The grounds for such proposed action are as follows:

1. Respondent Scott Christopher Loidl ("Loidl") is a natural person with a last known address of 4451 North Francisco, Chicago, IL 0.
2. Respondent is licensed by the Illinois Department of Securities, Secretary of State as an investment advisor representative and salesperson of Edward Jones.

COUNT I

FAILURE TO PAY ANY TAX, PENALTY, OR INTEREST ADMINISTERED BY THE ILLINOIS DEPARTMENT OF REVENUE

3. Respondent failed to pay the final assessment of a tax administered by the Illinois Department of Revenue.
4. Previously, the Department of Revenue has sent Respondent a Collection Action and Notice of Intent of Suspension of Your Salesperson License or Investment Adviser License (or Both).
5. To date, the tax referenced in paragraph 4 remains unpaid.
6. That Section 8.E(1)(o) of the Act provides, inter alia, that the registration of an investment advisor representative or a salesperson may be suspended if the Secretary of State finds that such investment advisor representative or salesperson has failed to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of that tax Act are satisfied.
7. By virtue of the foregoing, Respondent registration as a registered investment advisor representative and salesperson is subject to a revocation.

You are further notified that pursuant to Section 130.1104 of the Rules and Regulations (14 111. Adm. Code 130) (“the rules”), **you are required to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice.** The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Maria Pavone
Enforcement Attorney
Illinois Department of Securities
69 West Washington, Suite 1220
Chicago, Illinois 60602

A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing. Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default. Unless the Respondent has upon due notice moved for and obtained a continuance.

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The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 16th day of March 2011.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Maria A. Pavone
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Telephone 312-793-3384

Hearing Officer:
Soula Spyropoulos
4125 West Lunt Street
Lincolnwood, Illinois 60712

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: SEQUOIA GROUP, INC, IT'S OFFICERS)
DIRECTORS, EMPLOYEES, AFFILIATES, SUCCESSORS, AGENTS)
AND ASSIGNS, and MICHAEL T. KIMMELMAN, INDIVIDUALLY)

File No's: 1000376 &
1000404

SECOND AMENDED NOTICE OF HEARING

TO THE RESPONDENTS:

Sequoia Group, Inc.
c/o Michael T. Kimmelman, Registered Agent
578 Barberry Rd.
Highland Park, Illinois 60035-4455

Mr. Michael T. Kimmelman
Sequoia Group, Inc.
578 Barberry Rd.
Highland Park, Illinois

c/o Mr. Cary N. Goldberg, J.D.
Law Offices of Cary N. Goldberg
10 S. LaSalle Street
Suite 3300
Chicago, IL 60603
& via Fax to: 312.332.4331

You are hereby notified that pursuant to Section 10-55 of The Illinois Business Brokers Act of 1955, 815 ILCS 307/10-1, *et seq.* (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 6th day of April, 2011, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether a permanent Order of Suspension or Revocation should be entered against the Sequoia Group, Inc., and its directors, officers agents, employees, sales representatives, and affiliates, and Michael T. Kimmelman, individually (collectively "Respondents"), and/or granting such other relief as may be authorized under the Act including, but not limited to, the imposition of a monetary fine in the maximum amount of \$10,000 per violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. Respondent Sequoia Group, Inc., ("Sequoia") an Illinois corporation is an Illinois Corporation and maintains its business address at 578 Barberry Road, Highland Park, Illinois 60035-4455.

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2. Respondent Michael T. Kimmelman, ("Kimmelman", collectively with "Sequoia" "Respondents") an individual who maintains his address at 578 Barberry Road, Highland Park, Illinois 60035-4455. 578 Barberry Road, Highland Park, Illinois 60035-4455.
3. That from on or about April 2006 Respondents individually and by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns (the "Respondents"), offered and held themselves out as providing business for sale and services to potential business buyers for a fee to more than one Illinois resident.
4. That from on or about April, 2006, to the present, Sequoia was registered with the Secretary of State of Illinois as a Business Broker, and Michael T. Kimmel listed as its' Registered Representative.
5. That the Respondents are business brokers as that term is defined pursuant to Section 10-5.10. of the Illinois Business Brokers Act of 1995 [815 ILCS 307/10-1 et seq.] (the "Act");
6. That Respondents acted as the escrow agent for earnest money deposits paid by Purchasers pursuant to The Sequoia Group, Inc.'s Offers to purchase of a business.
7. That subsequent to January 1, 2008, more than one Illinois Residents, including Purchaser A and Purchaser B ("Purchasers"), became clients of Respondents, and Purchasers A and B paid to Respondents, as escrow agents, sums aggregating \$50,000.00 for earnest money deposits; which sums were not returned to those Purchasers when the sales pursuant to their Offers to Purchase were not completed without fault on the part of those Purchasers.

Purchaser A

8. That Purchaser on December 10, 2008 Purchaser A gave to Respondents a check payable to Respondent Sequoia as earnest money to be escrowed in the amount of \$10,000.00, which was deposited into Respondent Sequoia's bank account number XXXXX1129.
9. That on December 31, 2008, Respondent Sequoia's bank account number XXXXX1129 had an ending balance of less than Seven Hundred (\$700.00) Dollars taking into account Purchaser A's \$10,000.00 December 10, 2008 earnest money deposit and all other deposits and withdrawals to or from that account during the month of December, 2008.
10. That in February of 2009 Purchaser A demanded from Respondents the return of his \$10,000.00 earnest money deposit.
11. That in or about December 2009 filed suit in the Circuit Court of the Nineteenth Judicial Circuit Lake County, Illinois, Gen N. 09 SC 8888 against Seller and Respondent Sequoia as escrow agent, for the return of his earnest money deposit.
12. That on March 4, 2010 a Settlement Agreement and Release was entered into by the parties and the Circuit Court action was dismissed on March 4, 2010 subject to the

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Settlement Agreement. The Agreement provided that payment was to be made by Seller and Respondent Sequoia to Purchaser A in two equal installments by May 9, 2010.

13. On June 22, 2010 in that no payment was received by Purchaser A by the May 9, 2010 deadline, the Court Ordered that Judgment be entered against Seller and Respondent Sequoia jointly and severally in the amount of \$10,000.00 plus costs and attorneys fees.
14. That purchaser A has still not received the return of his escrowed funds.

Purchaser B

15. That Purchaser B issued two checks to Respondents payable to Respondent Sequoia as earnest money to be escrowed in the amounts of \$30,000.00 on March 5, 2010 and \$10,000.00 on June 21, 2010. That Purchaser B's checks were deposited in Respondent Sequoia's bank account number XXXXX1322.
16. That on March 31, 2010, Respondent Sequoia's bank account number XXXXX1322 had an ending balance of less than Four Thousand (\$4,000.00) Dollars taking into account Purchaser B's \$30,000.00 March 5, 2010 earnest money deposit and all other deposits and withdrawals to or from that account during the month of March, 2010.
17. That on June 30, 2010, Respondent Sequoia's bank account number XXXXX1322 had an ending balance of less than Fifty (\$50.00) Dollars taking into account Purchaser B's \$10,000.00 June 22, 2010 earnest money deposit and all other deposits and withdrawals to or from that account during the month of June, 2010.
18. That in August of 2010 Purchaser B demanded from Respondents the return of his escrowed \$40,000.00 earnest money deposit.
19. That on November 3, 2010, Respondents issued a check from Respondent Sequoia's account number XXXXX1322 payable to Purchaser B in the amount of \$40,000.00 dollars, which Purchaser B deposited and on November 12, 2010, was returned by Purchaser B's bank to Purchaser B for the reason: "return reason-A not sufficient funds"
20. That purchaser B has still not received the return of his earnest money.

Violations

21. That Section Sec. 10-85.(a)(1)(2) and (3) of the Act: Fraudulent and prohibited acts, provides, inter alia, that:
 - (a) A business broker shall not, in connection with a contract for the services of a business broker, either directly or indirectly, do any of the following:
 - (1) Employ any device, scheme or artifice to defraud.
 - (2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they are made, not misleading, unless the

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statement is made in reasonable reliance on information provided by the client.

- (3) Engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.
22. That by virtue of the foregoing conversion of the Purchasers' escrowed earnest money funds for purposes which it was not intended, the Respondents have violated Sections 10-85.(a)(1)(2) and (3) of the Act.
23. That Respondent's actions in paragraphs 10, 17, 18 and 20 are willful violations of the Act.
24. That section 140.200 Procedures for Renewal of Registration as a Business Broker under Section 10-20 of the Act in part provides:
 - a) If a registered business broker wishes to renew its registration, it shall file with the Securities Department the preprinted Illinois Form BB04 together with the renewal filing and examination fee and branch office fee, if any, as specified in Section 140.2110 of this Part.
 - b) Any amendment(s) shall also be filed with the Securities Department within ten business days if any material change occurs in the information that was filed with the Securities Department when the business broker applied for registration.
25. That paragraphs 2) and 3) of the Application for renewal as Business Broker provide:
 - 2) If any information on the written disclosure document has changed, please provide the Department with a copy of the changed pages.
 - 3) If the disciplinary history reported on your initial filing has changed, please provide the Department with the change and an explanation on a separate page.
26. That Section 10-85(b)(2). of the Act: Fraudulent and prohibited acts [in part, provides]:
 - (b) A business broker shall not either directly or indirectly do the following: ...
 - (2) Fail to file with the Secretary of State any application, report, document, or answer required to be filed under the provisions of this Act or any rule made by the Secretary of State pursuant to this Act or fail to comply with the terms of any order issued pursuant to this Act or rule or made by the Secretary of State.
27. That on June 22, 2010, In the Circuit Court of Nineteenth Judicial Circuit, Lake County, Illinois a judgment in Gen No. 09 SC 8884, was entered against Respondent Sequoia and others in the amount of Ten Thousand Dollars (\$10, 000.00) dollars plus costs and attorneys fees of (\$250.00) for breach of a settlement agreement dated March 4, 2010.

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28. That said judgment was not reported on any changed disclosure statement nor any change in disciplinary history reported to Respondents initial finding, and provided to the Department subsequent to the Judgment.
29. That by virtue of the foregoing, the Respondents have violated Sections 10-85(b)(2) of the Act;

Revocation

30. That Section 10-40.(a) of the Act provides, inter alia, that the Secretary of State, after finding that any provision of the Act has been violated, may revoke the registration of the business broker.
31. That Section 10-55.(a) of the Act provides, inter alia, that in addition to any other sanction or remedy the Secretary of State, after finding that any provision of the Act has been violated, may impose an administrative fine upon the person in an amount not to exceed \$10,000 for each violation.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within ten (10) days of the receipt of this Amended Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

You are also notified, pursuant to the Illinois Administrative Code, Title 14, Subtitle A, Chapter 1, Part 130, Subpart K, Procedures for Administrative Hearings: Section 130.1102 c); which in part provides: "That by requesting a hearing the Respondent agrees to a tolling of the time limitation on the effectiveness of the Temporary Order of Suspension for 60 days from the date the request is received by the Department."

You are also notified that That Section 10-65. of the Act provides: Any person who willfully violates this Act commits a class 4 felony.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondents has upon due notice moved for and obtained a continuance.

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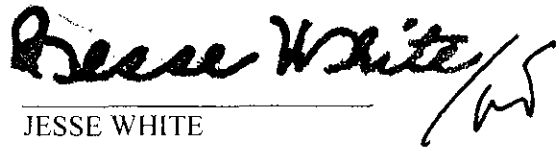
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Below is a link of a copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

<http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

Delivery of notice to the designated representative of any Respondents constitutes service upon such Respondents.

Dated: This 18th, day of March, 2011.

Handwritten signature of Jesse White in black ink, with a horizontal line underneath the signature and a large flourish to the right.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3988

Hearing Officer:

James L. Kopecky
203 North LaSalle Street, Suite 1620
Chicago, Illinois 60601
Telephone: (312) 380-6552