

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

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<b>IN THE MATTER OF:</b>	)	
	)	
<b>KEVIN O. PRITCHETT,</b>	)	
<b>KEVIN PRITCHETT &amp;</b>	)	<b>File No. 0600357</b>
<b>ASSOCIATES RETIREMENT</b>	)	
<b>PLANNING, INC.</b> its managers, officers,	)	
affiliates, subsidiaries, representatives,	)	
successors, and assigns.	)	

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**CONSENT ORDER**

**TO THE RESPONDENTS:** Kevin O. Pritchett  
(CRD # 4378658)  
7108 Lyman Avenue  
Downers Grove, Illinois 60516

Kevin Pritchett & Associates  
Retirement Planning, Inc.  
(CRD # 136266)  
One Westbrook Corp. Ctr  
Suite 120  
Westchester, Illinois 60154

WHEREAS, Kevin O. Pritchett (Pritchett) and Kevin Pritchett & Associates Retirement Planning, Inc., (KPA) by and through its duly authorized representative, on the \_\_\_ day of August, 2010 executed a certain Stipulation to Enter Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Pritchett and KPA have admitted to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the Stipulation, Pritchett and KPA acknowledges, that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. Kevin Pritchett & Associates Retirement Planning, Inc. (Collectively with the Respondent Kevin O. Pritchett "Pritchett") is an Illinois corporation with a last known address of One Westbrook Corp. Cir., Suite 120, Westchester, Illinois 60154.
2. Kevin O. Pritchett (Collectively with the Respondent Kevin Pritchett & Associates Retirement Planning, Inc. "KPA") is the President of KPA.
3. KPA proposed services include investment and retirement planning, wealth management, individualized investment advice and selection, long term care planning, tax reduction, estate planning and asset protection.
4. Respondent KPA is a registered Investment Adviser with the Secretary of State, Illinois Department of Securities ("IDS").
5. Respondent Pritchett has been registered as an Investment Adviser Representative with the IDS from March 2001 to the Present.
6. Respondent Pritchett is also a registered representative of Mid American Financial Services, Inc. located at 1007 E. 20<sup>th</sup> Street, Joplin, Missouri 64804.
7. Since May 7, 1987, the Respondent has been a licensed attorney with the State of Illinois.
8. Initially, the IDS was contacted by an Illinois Investor ("Investor") who attended a Financial and Estate Planning Seminar conducted by the Respondent. They developed a business and personal relationship and the Respondent asked the Investor for \$10,000.00 to take care of a financial matter related to his business.
9. The Respondent drafted a promissory note signed by both parties where the Respondent would have to pay back the \$10,000.00 principal plus interest earned within 90 days. The Respondent failed to pay back the Investor and avoided contact following the specified due date. After the specified due date, the Respondent paid back the Resident the principal of \$10,000.00 plus interest earned.
10. Respondent Pritchett's activities described above involve the offer and sale of a note and/or an investment contract 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").
11. At all relevant times, the Respondent never disclosed to the Investor the existence of three unsatisfied judgments.

## **COUNT I: FAILURE TO DISCLOSE UNSATISFIED JUDGMENTS**

12. On February 2, 2006, Respondent Pritchett was the guest speaker at an investment club meeting, where his topic was Trusts, covering your assets, and protecting your assets.
13. On this date, the Respondent Pritchett had represented himself to the Investor as a licensed attorney and a registered investment adviser representative for Respondent KPA.
14. As evidenced by the email correspondence between the Investor and the Respondent Pritchett, he provided investment advice both to the Investor and her parents. The Investor stated that she and her parents each hired Pritchett to prepare estate planning documents for them at a rate of \$3,000.00 per trust.
15. At this time, the Investor and the Respondent developed a business as well as a personal relationship. The Respondent Pritchett told the Investor that he was experiencing minor "cash-flow problems" and was concerned about meeting the payroll for Respondent KPA.
16. On February 28, 2006, the Respondent Pritchett solicited the Investor to pay \$10,000.00 to Pritchett which would be repaid in full within 90 days, on or before May 30, 2006, plus any applicable interest and/or fees incurred. If the principal is not repaid within 90 days, 10% interest is due on the original loan amount plus borrowed principal and both must be repaid with 150 days from the original date.
17. The Respondent Pritchett drafted a promissory note which was signed by both parties that included all the terms listed above. As a result, the Investor wired \$10,000.00 from her Charter One Bank account to the Respondent Pritchett's TCF Bank account.
18. As of May 30, 2006, the Respondent failed to pay back to the Investor the \$10,000.00 principal and all the interest and fees accrued.
19. Upon discovering the complaint with the IDS, the Respondent paid the Investor the principal of \$10,000.00 plus interest and fees accrued.
20. Respondent Pritchett failed to disclose to the Investor any risks involved in the promissory note, such as the possibility that Pritchett would not be able to pay the promised principal or interest according to the terms of the signed agreement due to his financial problems. Specifically, Pritchett omitted to inform the Investor that he had three unsatisfied judgments from creditors in the amount of \$215,733.50.
21. Section 12.A is to offer or sell any security except in accordance with the provisions of this Act.

22. Section 12.D is to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof
23. By virtue of the foregoing, Pritchett violated Sections 12.A and 12.D of the Act.

## **COUNT II:**

### **Failure To Disclose Unsatisfied Judgment On The U4 Form**

24. On March 29, 2001, Respondent Pritchett, in his capacity as an Illinois-registered investment adviser representative, made false statements to the Illinois Secretary of State in his investment adviser representative registration application, statements that failed to disclose Pritchett had an unsatisfied judgment entered into the Cook County Recorder of Deeds.
25. An investment adviser registered in the State of Illinois that wished to register as an investment adviser representative in the State must file an application with the Secretary of State. The investment adviser representative is required to provide the application to the investment adviser, executed, verified, or authenticated by the investment adviser representative, and setting forth the information required by Section 8.D-5 of the Act. 815 ILCS 5/8.D-5.
26. The investment adviser representative application includes filing a "Uniform Application for Securities Industry Registration or Transfer ("Form U4"), utilizing the Central Registration Depository ("CRD") administered by the Financial Industry Regulatory Authority. 14 Ill. Adm. Code 130.839(a).
27. The CRD is instrumental in protecting the investing public from unscrupulous securities brokers and financial advisors. A registrant's CRD profile provides to the public information on the disciplinary history of the registrant, unsatisfied judgments, customer complaints against the registrant, as well as civil and regulatory actions that have been filed against the registrant.
28. The investing public can access CRD profiles to assist in making a decision on whether to retain a salesperson or financial advisor. The regulators of the securities industry can use the information registrants provide in their CRD profiles to better identify potential threats to the investing public. It is the responsibility of the registrant to update the information on his or her profile by truthfully answering Disclosure Questions presented on a registrant's U4 Form.
29. Since March 29, 2001 to the present, Respondent Pritchett failed to disclose on the U4 Form the existence of an unsatisfied judgment entered against the Respondent Pritchett

in the amount of \$92,927.00 in Personal Finance Company v. Kevin O. Pritchett (Circuit Court, Cook County, Illinois: Law Division 99 L 011541.)

30. The relevant portion of the U4 Form states the following:
  - a. Do you have any unsatisfied judgments or liens against you?
31. On July 14, 2001, this unsatisfied judgment was entered into the Cook County Recorder of Deeds which was seven months prior to his initial registration on the CRD.
32. To date, the Respondent has not amended his application to reflect these matters nor has the judgment listed above been satisfied.
33. As a result, the above-mentioned omissions of fact address the competency and the financial capabilities of the Respondent to pay back to the Investor the stated interest payments and principal.
34. Section 12.A is to offer or sell any security except in accordance with the provisions of this Act.
35. Section 12.D is to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof
36. By virtue of the foregoing, Pritchett violated Sections 12.A and 12.D of the Act.

### **COUNT III: Failure To Amend U4 Form**

37. On December 6, 2005, a judgment was entered against Respondent Pritchett in the amount of \$114,906.50 in UMLIC VP, LLC v. Kevin O. Pritchett (Circuit Court, Cook County, Illinois: Law Division, 03 L 0010343).
38. On December 6, 2005, this unsatisfied judgment was entered into the Cook County Recorder of Deeds. The Respondent never amended his U4 Form to reflect the unsatisfied judgment listed above.
39. On March 19, 2007, a judgment was entered against Respondents Pritchett and KPA in the amount of \$7,900.00 in Lisa M. Roberts v. Kevin O. Pritchett and Pritchett & Associates (Circuit Court, Cook County, Illinois: Law Division 04 L 12637).
40. On March 19, 2007, this unsatisfied judgment was entered into the Cook County Recorder of Deeds. The Respondent never amended his U4 Form to reflect the unsatisfied judgment listed above.

41. A change that renders inaccurate any information contained in any application for registration as an investment adviser representative is required by law to be reported to the Secretary of State within ten business days after the occurrence of the change. 815 ILCS 5/8.D-5.
42. Changes that render inaccurate any information contained in the application are required by regulation to be filed in amended registration applications. 14 ILL. Adm. Code 130.839(d).
43. The relevant portion of the U4 Form states the following:
  - b. Do you have any unsatisfied judgments or liens against you?
44. Since December 6, 2005, Pritchett failed to disclose and/or amend his U 4 Form to include the two unsatisfied judgments listed above.
45. To date, the Respondent has not satisfied the two judgments listed above.
46. Section 12.A is to offer or sell any security except in accordance with the provisions of this Act.
47. Section 12.D is to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof
48. By virtue of the foregoing, Pritchett violated Sections 12.A and 12.D of the Act.

**COUNT IV: Failure To Disclose Unsatisfied Judgment On KPA's ADV Form**

49. On March 19, 2007, a judgment was entered against Respondents Pritchett and KPA in the amount of \$7,900.00 in Lisa M. Roberts v. Kevin O. Pritchett and Pritchett & Associates (Circuit Court, Cook County, Illinois: Law Division 04 L 12637).
50. On March 19, 2007, this unsatisfied judgment was entered into the Cook County Recorder of Deeds. The Respondent never amended KPA's ADV Form to reflect the unsatisfied judgment listed above.
51. A change that renders inaccurate any information contained in any application for registration as an investment adviser is required by law to be reported to the Secretary of State within ten business days after the occurrence of the change. 815 ILCS 5/8.D-13.
52. The relevant portion of the ADV-State, Form ADV Part 1B, Item 2-Additional Information states the following:

- a. Do you have any unsatisfied judgments or liens against you?
53. Since March 19, 2007, Pritchett failed to disclose and/or amend his ADV Form to include the unsatisfied judgment listed above.
54. To date, the Respondent has not satisfied the judgment listed above.
55. Section 12.A is to offer or sell any security except in accordance with the provisions of this Act.
56. Section 12.D is to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof
57. By virtue of the foregoing, Pritchett violated Sections 12.A and 12.D of the Act.

#### **COUNT V: FAILURE TO SUPERVISE**

58. Respondent KPA, acting through its principal Respondent Pritchett, failed to supervise the advisory activities of investment adviser representative Pritchett.
59. Section 8.E(1)(f) of the Act provides that the registration of an investment adviser may be suspended or revoked if the Secretary of State finds the adviser has failed reasonably to supervise the advisory activities of any of its investment adviser representatives or employees and the failure has permitted or facilitated a violation of Section 12 of the Act.
60. The investment adviser representative registration of Respondent Pritchett and the investment adviser registration of Respondent KPA are subject to suspension or revocation under Section 8.E(1)(f) of the Act because its failure to reasonably supervise the advisory activities of Respondent Pritchett.

WHEREAS, by means of the Stipulation, Pritchett and KPA have acknowledged, without admitting or denying the truth thereof, that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. The Respondents have violated Section 12.A, 12.D, and 8E(1)(f) of the Act;
3. The registration of the Respondent KPA as an investment adviser in the state of Illinois are hereby revoked subject to 8.E(1)(f) of the Act by the Secretary of State. Section

8E(1)(f) of the Act provides, inter alia, that in the case of an investment adviser, has failed reasonably to supervise the advisory activities of any of its investment adviser representatives or employees and the failure has permitted or facilitated a violation of Section 12 of the Act.

4. The registration of the Respondent Pritchett as an investment adviser representative in the state of Illinois is hereby revoked subject to 8.E(1)(g) and 8.E.1(q) of the Act by the Secretary of State. Section 8.E(1)(g) of the Act provides, inter alia, that if an investment adviser representative violates any provision of the Act they are subject to revocation by the Secretary of State. Section 8.E.1(q) of the Act provides, inter alia, that subject to the provisions of subsection 11 of the Act, the registration of an investment adviser may be suspended or revoked if the Secretary of State finds that the investment adviser has failed to maintain the books and records required under this Act or regulations under this Act or under any requirements established by the Securities and Exchange Commission or self regulatory organization;
5. WHEREAS, Respondent KPA investment adviser representative registrations is revoked as of the last date that the registrations were effective;
6. WHEREAS, Respondent Pritchett investment adviser representative registrations is revoked as of the last date that the registrations were effective;
7. WHEREAS, Respondent Pritchett is prohibited from engaging in the offer and/or sale of any issuer where Respondent Kevin O. Pritchett is an officer, director, controlling person or plays a significant role in the management of the issuer.
8. WHEREAS, the Respondents shall deliver a copy of this Consent Order, along with a cover letter stating that if the recipient has any questions regarding the consent order to contact the Illinois Securities Department, to all of his current and former investment advisory clients within 10 business days of the entry of this Consent Order;
9. WHEREAS by means of the Stipulation to Enter Consent Order of Revocation Respondent Pritchett have agreed that if Respondents decide to reapply for registration, as a condition of re-entry, Respondents shall comply with the following stipulations:
  - a. Enter a program of enhanced and heightened supervision to be determined with and approved by the Secretary of State, the supervision of which shall be conducted by a compliance person approved by the Secretary of State;
  - b. Satisfy in all outstanding Judgments;
  - c. Respondents must provide to the Department a detailed accounting of the source of the funds procured in satisfying in full all three of the unsatisfied judgments totaling \$215,733.50. Respondents are prohibited from obtaining personal loans unless procured from a FDIC bank; and



d. Demonstrate the he is solvent and has sufficient financial resources necessary to engage in the business of a Investment Advisor Reprehensive.


NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. By means of the Stipulation, Pritchett and KPA have acknowledged and agreed that the registration of the Respondent Pritchett as an investment adviser representative and as an investment adviser in the state of Illinois are hereby revoked subject to 8.E(1)(f) and 8E.1(g) of the Act by the Secretary of State.
2. The Respondents shall deliver a copy of this Consent Order, along with a cover letter stating that if the recipient has any questions regarding the consent order to contact the Illinois Securities Department, to all of his current and former investment advisory clients within 10 business days of the entry of this Consent Order;
3. Respondent KPA investment adviser representative registrations is revoked as of the last date that the registrations were effective;
4. Respondent Pritchett investment adviser representative registrations is revoked as of the last date that the registrations were effective;
5. Respondent Pritchett is prohibited from engaging in the offer and/or sale of any issuer where Respondent Kevin O. Pritchett is an officer, director, controlling person or plays a significant role in the management of the issuer.
6. By means of the Stipulation to Enter Consent Order of Revocation Respondent Pritchett have agreed that if Respondents decide to reapply for registration, as a condition of re-entry, Respondents shall comply with the following stipulations:
  - a. Enter a program of enhanced and heightened supervision to be determined with and approved by the Secretary of State, the supervision of which shall be conducted by a compliance person approved by the Secretary of State;
  - b. Satisfy all outstanding Judgments;
  - c. Respondents must provide to the Department a detailed accounting of the source of the funds procured in satisfying in full all three of the unsatisfied judgments totaling \$215,733.50. Respondents are prohibited from obtaining personal loans unless procured from a FDIC bank; and
  - d. Demonstrate the he is solvent and has sufficient financial resources necessary to engage in the business of a Investment Advisor Reprehensive.
7. If Pritchett and KPA fail to comply with all of the conditions set forth above or if Pritchett and KPA fail in any obligations set forth in this Order, the Secretary of State,

State of Illinois, may vacate this Order, at its sole discretion, upon ten day notice to Pritchett and KPA and without opportunity for an administrative hearing. The Department will retain the right to vacate this Order, seek remedies in courts of equity and law, and/or enforce criminal penalties, should any provision herein be violated.

8. The Notice of Hearing dated March 12, 2010, as it relates to Respondents Pritchett and KPA will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Order.
9. The entry of this Order ends the Secretary of State, Securities Department's formal hearing of this matter.

Entered: This 4th day of August, 2010.



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of 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.

Attorneys for the Secretary of State:  
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