

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF JAMES L KESTNER, PH D) File No 1300166

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: James L Kestner, Ph D
 650 N County Rd 1760 E
 Tuscola, IL 61953

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 Respondent, James L Kestner, Ph D., is an individual with a last known address of 650 N. County Rd 1760 E, Tuscola, IL 61953
- 2 Respondent purports to be in the process of producing and distributing a documentary film, written and directed by him, entitled "These Kids Today".
3. Respondent provides a "Film Prospectus" to investors in which, among other things, the film's purpose, storyline, scenes and budget are described.
- 4 Respondent has investors sign an "Investment Agreement" (the "Agreement"), which states that Respondent will "use the investment to produce and market the film"
- 5 In exchange for the investment, the Agreement states that the investor will receive their investment back plus twenty percent (20%) in six (6) months.
- 6 The above-mentioned Respondent, James L. Kestner, Ph D , is a salesperson as that term is defined pursuant to Section 2 9 of the Act.

Temporary Order of Prohibition

-2-

- 7 Section 8 of the Act provides, *inter alia*, that every salesperson shall be registered as such with the Secretary of State
- 8 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 salesperson unless registered as required under the Act
- 9 At all times relevant hereto, the Respondent, James L. Kestner, Ph.D., failed to register as a salesperson prior to the offer and sale of securities in the State of Illinois.
- 10 By virtue of the foregoing, the Respondent, James L. Kestner, Ph.D., has violated Section 12 C of the Act.
- 11 The above-mentioned investment is a security as that term is defined pursuant to Section 2 1 of the Act
- 12 Section 5 of the Act provides, *inter alia*, that all securities, unless otherwise provided in Section 2a, 3, 4, 6 or 7 of the Act, shall be registered prior to their offer or sale in this State of Illinois
- 13 Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the Act.
- 14 At all times relevant hereto, the securities offered and sold by Respondent were unregistered in the State of Illinois.
- 15 Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the Act.
- 16 At all times relevant hereto, the Respondent failed to file any registration application with the Secretary of State.
- 17 By virtue of the foregoing, the Respondent, James L. Kestner, Ph D., has violated Section 12.A and 12 D of the Act
- 18 Section 11.F.(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend the offer or sale or registration of securities and 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

Temporary Order of Prohibition

-3-

19. 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 Respondent, James L. Kestner, Ph D., from offering and/or selling securities in the State of Illinois
20. 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.
21. Section 11 E(4) of the Act provides, *inter alia*, that the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000 for each violation of the Act, as well as the costs of investigation and reasonable expenses
22. By virtue of the foregoing, Respondent, James L. Kestner, Ph D., is subject to a fine of up to \$10,000 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent 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, James L. Kestner, Ph D. is 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 Respondent may request a hearing on this matter by transmitting such request in writing to the 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. A request for hearing will not stop the effectiveness of this Temporary Order, but will extend the effectiveness of this Temporary Order for ninety days from the date the request is received by the Department.

FAILURE BY THE 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

Temporary Order of Prohibition

-4-

ENTERED. This 22nd day of March, 2013



Jesse White

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Shannon Bond
Illinois Securities Department
300 W. Jefferson St., Suite 300A
Springfield, Illinois 62702
Telephone: (217) 524-0648