

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JAMES L. KESTNER, PH.D.

) File No.1300166
)

ORDER OF PROHIBITION

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

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on March 22, 2013 prohibiting James L. Kestner, Ph D from rendering investment advice 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, James L. Kestner, Ph.D. has failed to request a hearing on the matters contained in said Temporary Order within thirty days of the entry of said Temporary Order and is 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:

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".

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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.
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. The above-mentioned investment is a security as that term is defined pursuant to Section 2.1 of the Act.
11. 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.
12. 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.
13. At all times relevant hereto, the securities offered and sold by Respondent were unregistered in the State of Illinois.
14. 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.
15. At all times relevant hereto, the Respondent failed to file any registration application with the Secretary of State.

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16. 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.

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:

17. By virtue of the foregoing, the Respondent, James L. Kestner, Ph.D., has violated Sections 12.A, 12.C and 12.D of the Act.
18. 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 permanently PROHIBITED from offering and/or selling securities in or from the State of Illinois.

ENTERED: This 22nd day of April, 2013



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.

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Attorney for the Secretary of State:

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