

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JEFFREY KOCHIKARAN DBA)
 WEALTH MANAGEMENT)
 INVESTMENT PLANNING) File No 1300211
_____)

CONSENT ORDER

TO THE RESPONDENT: Jeffrey Kochikaran dba Wealth Management Investment Planning
 1345 W Fillmore St, Apt 4
 Chicago, IL 60607-4819

WHEREAS, Jeffrey Kochikaran on September 17, 2013 executed a certain Stipulation to Entry of Consent Order (the “Stipulation”), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondent has consented to the entry of this Consent Order

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding

WHEREAS, the Respondent has acknowledged, while neither admitting nor denying the truth thereof, that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State’s Findings of Fact as follows:

Background

- 1 Respondent, Jeffrey Kochikaran, is an individual with a last known address of 1345 W Fillmore St, Apt 4, Chicago, IL 60607-4819

- 2. Respondent’s LinkedIn profile purports that he is located in the greater Chicago area and part of the “Wealth Management” industry.

- 3 During or about February 2012, Respondent met with a husband and wife, who are residents of the State of Illinois, (the “Investors”) to discuss the investment planning services that he could provide.

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- 4 The Investors purport that the name of Jeffrey Kochikaran's business was "Wealth Management Investment Planning"
- 5 A written contract was not signed, however, around that time the Investors' obtained Vanguard accounts that were to be managed by Respondent in exchange for a quarterly asset-based fee of 1%
6. Subsequently, Respondent obtained the Investors' usernames and passwords for their investment and bank accounts.
7. Furthermore, Respondent provided advice to the Investors regarding the finances of the 80 year-old, terminally ill mother of the wife (the "mother")
- 8 As a result of Respondent's advice, the mother completed transactions which resulted in legal consultation fees related to long-term care plans and taxes related to the liquidation of two variable annuities
- 9 In emails, Respondent claimed that he provided "investment advisory management services", which included advice about "loans, retirement, education, and estate planning etc , as well as taking care of insurance, etc " and "reducing cost and expenses and correcting mistakes"
- 10 Also in emails, Respondent claimed that he provided wealth management advice which included helping clients make financial "decisions, corrections, reducing costs, protecting [them] with insurance, investing on [their] behalf, etc."
11. Respondent further claimed in emails that he specifically provided the following services to the Investors on behalf of them and the mother:
 - set up retirement accounts,
 - set up savings account,
 - cut life insurance,
 - provided tax return advice,
 - reviewed IRA account, and
 - moved IRA from Prudential to Vanguard
- 12 On or about July 22, 2012, Respondent accepted eight hundred twenty dollars and thirty cents (\$820.30) from the Investors as payment for the first quarter in which he provided advice

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13. On or about September 21, 2012, the Investors communicated by email to Respondent that they no longer wanted Respondent's services because they were uncomfortable with his account access and unsatisfied with the progress that had been made
14. Subsequently, Respondent told the Investors that his fee was four thousand, five hundred dollars (\$4,500) and demanded the Investors pay the remainder of that fee which amounted to three thousand, six hundred seventy-nine dollars and seventy cents (\$3,679.70).
15. Respondent also demanded an additional four thousand, five hundred dollars (\$4,500) for the services he provided to the Investors on behalf of the mother
16. On or about September 29, 2012, in an attempt to settle the matter, the Investors gave a second payment of eight hundred twenty dollars and thirty cents (\$820.30) to Respondent
17. Respondent cashed the check but continued to demand further payment, stating that he intended to engage a collection agency and thereby ruin the Investors' credit rating
18. Respondent also told the Investors that he would put a lien on their home for the amount due and 10% interest per annum
19. Section 8.E(1)(m) of the Act provides, *inter alia*, that conducting a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of an investment adviser or investment adviser representative constitutes grounds for sanction
20. At all times relevant hereto, the Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, failed to properly conduct business by
 - a. not utilizing written agreements;
 - b. not reaching an accord with the Investors as to the services to be provided,
 - c. altering the amount owed by the Investors for the services rendered and contemplated, and
 - d. directing clients to open accounts in their own names and provide the Respondent with usernames and passwords, effectively keeping Respondent's name from being associated with the accounts.

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21. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend the business of rendering investment advice 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
22. 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 ten thousand dollars (\$10,000) for each violation of the Act, may issue an order of public censure against the violator and may charge as costs of investigation all reasonable expenses.

Regulatory Action

23. On June 12, 2013, the Secretary of State issued a Temporary Order of Prohibition, whereby the Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, was prohibited from offering and/or providing investment advice in or from the State of Illinois until further order of the Secretary of State
24. Subsequent to issuance of the Temporary Order of Prohibition, Respondent purported in a signed and notarized document that he had been in compliance with the terms of the registration exemption provided in Section 130.805 of The Rules and Regulations Under the Illinois Securities Law of 1953
25. On July 1, 2013, the Department received a request for a hearing from the Respondent
26. A Notice of Hearing was issued on July 5, 2013
27. On August 21, 2013, a hearing was held, at which the Respondent was present, and a continuance was granted. The Temporary Order of Prohibition remained in full force and effect, pursuant to the Administrative Order, pending the entry of a final Order or settlement.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

28. By virtue of the foregoing, the Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, is subject to sanction pursuant to Section 8 E(1)(m) of the Act

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- 29 By virtue of the foregoing, Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, is subject to a fine of up to ten thousand dollars (\$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 providing investment advice in the State of Illinois.


NOW THEREFORE IT IS HEREBY ORDERED THAT

- 1 The allegations contained in paragraphs seven (7) and eight (8) of the Stipulation shall be and are hereby adopted as the Secretary of State's Finding of Fact and Conclusions of Law
- 2 Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, is hereby Censured.
- 3 Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, is hereby PROHIBITED from conducting the activities of an investment adviser or investment adviser representative EXCEPT in compliance with the Act
- 4 Respondent, Jeffrey Kochikaran dba Wealth Management Investment Planning, shall, *within ten business days of the date of this Order*, pay restitution to the Investors identified in Exhibit B of the Stipulation in the amount of one thousand dollars (\$1,000) by money order or cashier's check. The check shall be mailed or delivered in a timely manner and a copy of said check shall be mailed in a timely manner to Illinois Securities Department, 300 W Jefferson St , Suite 300A, Springfield, Illinois 62702.
5. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation
- 6 The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

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ENTERED: This 17th day of September, 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.

Attorney for the Secretary of State:

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

Hearing Officer

Jon K. Ellis