

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

IN THE MATTER OF: **CLAYTON A. COHN**)
d/b/a **Market Advisors, LLC.** and) **No. 1300370**
d/b/a **Marketaction Capital Management, LLC** and)
his partners, members, officers)
and directors, agents, employees, affiliates, successors and assigns.)

ORDER OF PROHIBITION

TO RESPONDENT: Clayton A. Cohn
858 West Armitage
Unit 133
Chicago, Illinois 60614

d/b/a Market Advisors, LLC.
858 West Armitage
Unit 133
Chicago, Illinois 60614

d/b/a Marketaction Capital Management, LLC.
858 West Armitage
Unit 133
Chicago, Illinois 60614

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on March 17, 2014 which prohibited **Clayton A. Cohn**, d/b/a Market Advisors, LLC, and d/b/a Marketaction Capital Management, LLC, his partners, officers and directors, agents, employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

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WHEREAS, Respondent Clayton A. Cohn has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondent is hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

1. Respondent Clayton A. Cohn (hereinafter at times "Cohn") has a last known address of 858 West Armitage, Unit 133, Chicago, Illinois 60614.
2. Respondent Cohn, at all relevant times herein, was doing business as "Market Advisors, LLC" (hereinafter "Market"); and was also doing business as "Marketaction Capital Management, LLC" neither of which was/is registered as an Illinois limited liability company.
3. Between January 1, 2012 and December 31, 2012 ("Timeframe") Respondent Cohn represented to at least three Illinois residents ("Investor 1", "Investor 2" and "Investor 3") that he operated and controlled a "hedge fund" called "Market Advisors, LLC", an entity he said that was in the business of "investing in the market" and purchasing and reselling "publicly traded equities" on behalf of his clients.
4. Cohn solicited the Investors to place money with him and Market, and promised Investors that if they invested money with Respondent he would use his best efforts to use the Investors' money to earn monetary returns for them.
5. Cohn told Investors that his fee for services to the Investors would range from 2% to 20% of the amount of appreciation realized through Cohn's efforts.
6. Investor 1 paid \$120,000 to Respondent with the expectancy that Cohn would work to invest the funds in publicly traded equities and attempt to realize a profit for Investor 1.
7. Investor 2 paid \$100,000 to Respondent with the expectancy that Cohn would work to invest the funds in publicly traded equities and attempt to realize a profit for Investor 2.
8. Investor 3 paid \$20,000 to Respondent with the expectancy that Cohn would work to invest the funds in publicly traded equities and attempt to realize a profit for Investor 3.
9. Investors' funds were accepted by Cohn and placed into Cohn's bank account entitled "Marketaction Capital Management, LLC".

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10. The activities described above in paragraphs 3-9 constitute offers and sales of investment contracts and are therefore securities 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").

FRAUD

11. Respondent Clayton A. Cohn instead of investing the funds as promised withdrew the funds from Marketaction Capital Management, LLC", and converted the funds to his own use and benefit.
12. Respondent Clayton A. Cohn failed and refused to notify the Investors that the funds would be used for his own benefit rather than the Investors'.
13. That Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person, "to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
14. That Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person, "to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstance under which they were made, not misleading."
15. That Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person, "to employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
16. That by virtue of the foregoing, Respondent Clayton A. Cohn violated Sections 12.F, 12.G and 12.I of the Act and will violate the Act again if they make further security offers, or if they make any sales of securities, in the State of Illinois.
17. That the aforementioned findings are based upon credible evidence.
18. That Section 11.F (2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
19. That the entry of this Temporary Order of Prohibition prohibiting Respondent, and his partners, officers and directors, agents, employees, affiliates, successors and assigns, from rendering investment advice or from offering or selling securities in the State of Illinois is in the public interest and for the protection of

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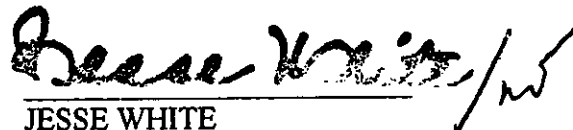
the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Clayton A. Cohn**, d/b/a Market Advisors, LLC, and d/b/a Marketaction Capital Management, LLC and his partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

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 that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

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 Act (14 Ill. Admin. Code, Ch. 1 Sec. 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.

Dated: This 23rd day of May 2014.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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